



February 29, 2016

---

---

## ENGROSSED SENATE BILL No. 333

---

DIGEST OF SB 333 (Updated February 29, 2016 11:58 am - DI 58)

**Citations Affected:** IC 4-10; IC 6-2.5; IC 6-3; IC 6-3.5; IC 6-3.6; IC 6-6; IC 6-7; IC 6-8.1; IC 8-14; IC 8-15; IC 8-23; IC 9-29; IC 35-52; noncode.

**Synopsis:** Road funding and regional cities program. Provides for the transfer of the state's excess reserves to the local road and bridge matching grant fund and the state highway fund. Provides that use tax collected on sales of gasoline is distributed differently than ordinary sales and use tax collections. Provides for income tax rate reductions for non-corporate taxpayers that are phased in from 2019 to 2025. Provides that a county may impose the county motor vehicle license excise surtax and the county wheel tax at higher rates if the county uses a transportation asset management plan approved by the department. Authorizes an eligible municipality to impose a municipal motor  
(Continued next page)

**Effective:** Upon passage; July 1, 2016; August 1, 2016; January 1, 2017.

---

---

**Yoder, Hershman, Miller Patricia,  
Arnold J, Ford, Merritt, Kruse**

(HOUSE SPONSORS — BROWN T, SOLIDAY)

---

---

January 7, 2016, read first time and referred to Committee on Homeland Security & Transportation.

January 12, 2016, reported favorably — Do Pass; reassigned to Committee on Appropriations.

January 28, 2016, amended, reported favorably — Do Pass.

February 1, 2016, read second time, ordered engrossed. Engrossed.

February 3, 2016, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 9, 2016, read first time and referred to Committee on Roads and Transportation.  
February 25, 2016, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

February 29, 2016, amended, reported — Do Pass.

---

---

ES 333—LS 6693/DI 73



vehicle excise surtax and a municipal wheel tax. Provides that if an adopting entity adopts an ordinance to impose, rescind, or change the rates of the county wheel tax or if a municipal fiscal body adopts an ordinance to impose, rescind, or change the rates of the municipal wheel tax, the adopting entity shall also send a copy of the ordinance to the commissioner of the department of state revenue (rather than only sending a copy of the ordinance to the commissioner of the bureau of motor vehicles). Adds language to the county wheel tax (in current law) and to the proposed municipal wheel tax to recognize that in some cases the wheel tax is paid directly to the department of state revenue. Authorizes an adopting body of a county to specify that a part of the county's local income tax revenue is to be used for road and bridge projects. Increases the gasoline tax from the current rate of 18 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the special fuel tax from the current rate of 16 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the motor carrier surcharge tax from the current rate of 11 cents per gallon to an indexed rate to be determined by the department of revenue. Increases the cigarette tax to \$1.995 per pack and uses the additional revenue for reimbursements of Medicaid providers. Requires the department of revenue to study methods of indexing fuel tax rates and report to the interim study committee on roads and transportation. Provides that money that may be transferred from the major moves 2020 trust fund to the major moves construction fund in the state fiscal year beginning July 1, 2016, under current law may be transferred instead to the state highway fund and used for preserving and reconstructing existing roads and bridges for which the department is responsible. Requires the department to seek a waiver from the Federal Highway Administration to toll lanes on Interstate 65, Interstate 70, and Interstate 80/94. Requires the department to conduct a feasibility study of tolling on those interstates. Establishes the local road and bridge matching grant fund. Requires a person who registers an electric vehicle to pay a supplemental registration fee of \$100. Makes appropriations for various highway and bridge maintenance purposes. Appropriates \$250,000 to the department for the local technical assistance program to develop a data collection system. Appropriates \$2,000,000 to the state department of health for the tobacco use prevention and cessation program. Repeals provisions requiring excess state reserves in an odd-numbered state fiscal year to be used for an automatic taxpayer refund and the pension stabilization fund. Specifies the manner in which certain excise taxes and local taxes collected under the tax amnesty program shall be distributed. Provides that after making the distributions required under the tax amnesty program, the next \$20,700,000 collected under the tax amnesty program must be deposited in the pension stabilization fund, and then the next \$42,000,000 collected under the program must be deposited into the Indiana regional cities development fund. Appropriates \$42,000,000 from the Indiana regional cities development fund for the purpose of funding a third grant under the regional cities initiative.



February 29, 2016

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 333

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-10-22-1, AS AMENDED BY P.L.213-2015,  
2       SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       UPON PASSAGE]: Sec. 1. (a) After the end of each ~~odd-numbered~~  
4       state fiscal year, the office of management and budget shall calculate  
5       in the customary manner the total amount of state reserves as of the end  
6       of the state fiscal year. The office of management and budget shall  
7       make the calculation not later than July 31 of each ~~odd-numbered~~ year.  
8       (b) ~~The office of management and budget may not consider a~~  
9       ~~balance in the state tuition reserve account established by~~  
10      ~~IC 4-12-1-15.7 when making the calculation required by subsection (a):~~  
11      SECTION 2. IC 4-10-22-2, AS AMENDED BY P.L.160-2012,  
12      SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
13      UPON PASSAGE]: Sec. 2. If  
14      (+) the total amount of state reserves calculated by the office of  
15      management and budget exceeds ~~twelve~~ **eleven** and five-tenths  
16      percent (~~12.5%~~) (**11.5%**) of the general revenue appropriations  
17      for the current state fiscal year, ~~and~~

ES 333—LS 6693/DI 73



(2) the accounts payable by the state at the end of the preceding state fiscal year are not unusually large as a percentage of the total amount of state reserves (as compared to recent history);  
the governor shall make a presentation to the state budget committee regarding the disposition of excess state reserves under section 3 of this chapter. The presentation must be made not later than September 30 of each odd-numbered year.

SECTION 3. IC 4-10-22-3, AS AMENDED BY P.L.91-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) ~~If~~ After completing the presentation to the state budget committee described in section 2 of this chapter, ~~the~~ amount of the excess reserves is fifty million dollars (\$50,000,000) or ~~more~~, the governor shall do the following:

(1) ~~If the year is calendar year 2013; transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. If the year is calendar year 2014 or thereafter, transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.~~

(2) If the year is calendar year 2014 or thereafter, use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.

(1) If the presentation concerns the excess reserves for the state fiscal year beginning July 1, 2015, direct the auditor of state to make the following transfers:

(A) To the local road and bridge matching grant fund established under IC 8-23-30, the lesser of the following:

(i) Thirty million dollars (\$30,000,000).

(ii) The amount of the excess reserves for the state fiscal year beginning July 1, 2015.

(B) To the state highway fund created by IC 8-23-9-54, the amount, if any, of the excess reserves remaining after making the transfer described in clause (A).

(2) If the presentation concerns the excess reserves for a state fiscal year beginning after June 30, 2016, direct the auditor of state to transfer one hundred percent (100%) of the excess reserves to the state highway fund created by IC 8-23-9-54.

(b) Money transferred to the state highway fund under this section does not revert to the state general fund at the end of a state fiscal year.

SECTION 4. IC 4-10-22-4 IS REPEALED [EFFECTIVE UPON



PASSAGE]. Sec. 4: The following apply if sufficient excess state reserves are available to provide an automatic taxpayer refund to each taxpayer eligible for a refund:

(1) To qualify for a refund, a taxpayer:

(A) must have filed an Indiana resident individual adjusted gross income tax return for the taxpayer's taxable year ending in the calendar year immediately preceding the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves; and

(B) must have adjusted gross income tax liability for the taxpayer's taxable year ending in the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves.

(2) The amount of the refund is determined for each qualifying taxpayer as follows:

STEP ONE: Determine the total amount of excess state reserves that under section 3 of this chapter are available to provide automatic taxpayer refunds.

STEP TWO: Determine the total number of taxpayers that qualify for a refund under subdivision (1).

STEP THREE: Determine the result of:

(A) the STEP ONE result, divided by

(B) the STEP TWO result;

as rounded to the nearest dollar.

(3) The refund is a refundable credit that shall first be applied as a credit against adjusted gross income tax liability in the taxpayer's taxable year in which a refund is provided. Any remaining unused credit shall be refunded to the taxpayer. The credit may not be carried forward.

(4) If an individual and the individual's spouse are both qualifying taxpayers for purposes of this section for a taxable year and file a joint Indiana resident individual adjusted gross income tax return for the taxable year:

(A) the individual and the individual's spouse are considered two (2) taxpayers for purposes of determining the amount of the refund under subdivision (2) for a qualifying taxpayer; and

(B) the amount of the refund that the individual and the individual's spouse are entitled to claim is equal to the amount of any refund determined under subdivision (2) for a qualifying taxpayer, multiplied by two (2).

SECTION 5. IC 4-10-22-5, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 5. ~~There is~~ **Amounts transferred under section 3(a)(1)(B) and 3(a)(2) of this chapter are annually appropriated a sufficient amount in a state fiscal year to carry out this chapter. from the state highway fund to the Indiana department of transportation for the Indiana department of transportation's use for preserving and reconstructing existing state highways and bridges for which the Indiana department of transportation is responsible.**

SECTION 6. IC 6-2.5-10-1, AS AMENDED BY P.L.205-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

**(b) Of all the state gross retail and use taxes that the department collects, the department shall determine separately the parts that:**

- (1) the department collects under IC 6-2.5-3.5; and**
- (2) the department collects under this article, less the amount described in subdivision (1).**

**(c) The department shall deposit those collections described in subsection (b)(1) in the following manner:**

- (1) Twenty-eight and five hundred seventy-one thousandths percent (28.571%) of the collections shall be paid into the state general fund.**
- (2) Forty-two and eight hundred fifty-seven thousandths percent (42.857%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.**
- (3) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the state highway fund created by IC 8-23-9-54.**
- (4) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30.**

**(d) The department shall deposit those collections described in subsection (b)(2) in the following manner:**

- (1) ~~Ninety-eight~~ **Ninety-nine** and eight hundred ~~forty-eight~~ **thirty-eight** thousandths percent (~~98.848%~~) **(99.838%)** of the collections shall be paid into the state general fund.**
- (2) ~~One percent (1%)~~ of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.**
- (3) ~~Twenty-nine thousandths of one percent (0.029%)~~ **(2) Thirty-one thousandths of one percent (0.031%)** of the collections shall be deposited into the industrial rail service fund**



established under IC 8-3-1.7-2.

~~(4) (3)~~ One hundred ~~twenty-three~~ **thirty-one** thousandths of one percent ~~(0.123%)~~ **(0.131%)** of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 7. IC 6-3-2-1, AS AMENDED BY P.L.80-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Each taxable year, a tax at the following rate of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person:

(1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).

(2) For taxable years beginning after December 31, 2014, and before January 1, 2017, three and three-tenths percent (3.3%).

(3) For taxable years beginning ~~after December 31, 2016, in~~ **calendar year 2017 or 2018**, three and twenty-three hundredths percent (3.23%).

**(4) For taxable years beginning in calendar year 2019 or 2020, three and nineteen hundredths percent (3.19%).**

**(5) For taxable years beginning in calendar year 2021 or 2022, three and fifteen hundredths percent (3.15%).**

**(6) For taxable years beginning in calendar year 2023 or 2024, three and one-tenth percent (3.1%).**

**(7) For taxable years beginning after calendar year 2024, three and six hundredths percent (3.06%).**

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation:

(1) Before July 1, 2012, eight and five-tenths percent (8.5%).

(2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).

(3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).

(4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).

(5) After June 30, 2015, and before July 1, 2016, six and five-tenths percent (6.5%).

(6) After June 30, 2016, and before July 1, 2017, six and twenty-five hundredths percent (6.25%).

(7) After June 30, 2017, and before July 1, 2018, six percent



(6.0%).

(8) After June 30, 2018, and before July 1, 2019, five and seventy-five hundredths percent (5.75%).

(9) After June 30, 2019, and before July 1, 2020, five and five-tenths percent (5.5%).

(10) After June 30, 2020, and before July 1, 2021, five and twenty-five hundredths percent (5.25%).

(11) After June 30, 2021, four and nine-tenths percent (4.9%).

(c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's tax rate for that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month the rate changed by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month before the rate changed by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one percent (0.01%).

SECTION 8. IC 6-3.5-4-1, AS AMENDED BY P.L.205-2013, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. **As used in The following definitions apply throughout** this chapter:

(1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

(2) "Branch office" means a branch office of the bureau of motor vehicles.

(3) "County council" includes the city-county council of a county that contains a consolidated city of the first class.

(4) "Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.

(5) "Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

(6) "Surtax" means the annual license excise surtax imposed by an adopting entity under this chapter.

(7) **"Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.**

SECTION 9. IC 6-3.5-4-2, AS AMENDED BY P.L.249-2015,





SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection ~~(d)~~; **(f)**, adopt an ordinance to impose an annual license excise surtax on each motor vehicle listed in subsection ~~(c)~~ **(e)** that is registered in the county.

**(b) If a county does not use a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:**

- (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than twenty-five dollars (\$25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

**(c) If a county uses a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:**

- (1) at a rate of at least two percent (2%) and not more than twenty percent (20%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than fifty dollars (\$50).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance that imposes the tax.

~~(b)~~ **(d)** Subject to the limits and requirements of this section, the adopting entity may do any of the following:

- (1) Impose the annual license excise surtax at the same rate or amount on each motor vehicle that is subject to the tax.
- (2) Impose the annual license excise surtax on vehicles subject to the tax at one (1) or more different rates based on the class of vehicle listed in subsection ~~(c)~~; **(e)**.

~~(c)~~ **(e)** The license excise surtax applies to the following vehicles:

- (1) Passenger vehicles.
- (2) Motorcycles.
- (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.
- (4) Motor driven cycles.

~~(d)~~ **(f)** The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to impose the wheel tax.

~~(c)~~ **(g)** Notwithstanding any other provision of this chapter or



IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

SECTION 10. IC 6-3.5-5-1, AS AMENDED BY P.L.205-2013, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

(1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.

(2) "Branch office" means a branch office of the bureau of motor vehicles.

(3) "Bus" has the meaning set forth in IC 9-13-2-17(a).

(4) "Commercial ~~motor~~ vehicle" has the meaning set forth in IC 6-6-5.5-1(c).

(5) "County council" includes the city-county council of a county that contains a consolidated city of the first class.

(6) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

(7) "Political subdivision" has the meaning set forth in IC 34-6-2-110.

(8) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

(9) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

(10) "State agency" has the meaning set forth in IC 34-6-2-141.

(11) "Tractor" has the meaning set forth in IC 9-13-2-180.

(12) "Trailer" has the meaning set forth in IC 9-13-2-184(a).

**(13) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.**

(14) "Truck" has the meaning set forth in IC 9-13-2-188(a).

(15) "Wheel tax" means the tax imposed under this chapter.

SECTION 11. IC 6-3.5-5-2, AS AMENDED BY P.L.205-2013, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) The adopting entity of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose an annual wheel tax on each vehicle that:

(1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;

(2) is not exempt from the wheel tax under section 4 of this chapter; and

(3) is registered in the county.



(b) The adopting entity of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the annual license excise surtax.

(c) The adopting entity may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the adopting entity may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles:

(1) may not be less than five dollars (\$5) and may not exceed forty dollars (\$40), **if the county does not use a transportation asset management plan approved by the Indiana department of transportation; or**

(2) **may not be less than five dollars (\$5) and may not exceed eighty dollars (\$80), if the county uses a transportation asset management plan approved by the Indiana department of transportation.**

The adopting entity shall state the initial wheel tax rates in the ordinance that imposes the tax.

SECTION 12. IC 6-3.5-5-8, AS AMENDED BY P.L.205-2013, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. If an adopting entity adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the adopting entity shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles **and to the commissioner of the department of state revenue.**

SECTION 13. IC 6-3.5-5-9, AS AMENDED BY P.L.149-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. A person may not register a vehicle in a county which has adopted the wheel tax unless the person pays the wheel tax due, if any, to the bureau of motor vehicles **or (if applicable) to the department of state revenue.** The amount of the wheel tax due is based on the wheel tax rate, for that class of vehicle, in effect at the time of registration. The bureau of motor vehicles **or (if applicable) the department of state revenue** shall collect the wheel tax due, if any, at the time a motor vehicle is registered. The department or the bureau of motor vehicles, as applicable, may impose a service charge under IC 9-29 for each wheel tax collection made under this chapter.

SECTION 14. IC 6-3.5-5-18, AS AMENDED BY P.L.149-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) The owner of a vehicle who knowingly



1 registers the vehicle without paying wheel tax imposed under this  
 2 chapter with respect to that registration commits a Class B  
 3 misdemeanor.

4 (b) An employee of the bureau of motor vehicles **or of the**  
 5 **department of state revenue** who recklessly issues a registration on  
 6 any vehicle without collecting wheel tax imposed under this chapter  
 7 with respect to that registration commits a Class B misdemeanor.

8 SECTION 15. IC 6-3.5-10 IS ADDED TO THE INDIANA CODE  
 9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 10 UPON PASSAGE]:

11 **Chapter 10. Municipal Motor Vehicle License Excise Surtax**

12 **Sec. 1. The following definitions apply throughout this chapter:**

13 (1) "Adopting municipality" means an eligible municipality  
 14 that has adopted the surtax.

15 (2) "Eligible municipality" means a municipality having a  
 16 population of at least twenty thousand (20,000).

17 (3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

18 (4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

19 (5) "Motor vehicle" means a vehicle that is subject to the  
 20 annual license excise tax imposed under IC 6-6-5.

21 (6) "Municipality" has the meaning set forth in IC 36-1-2-11.

22 (7) "Surtax" means the annual license excise surtax imposed  
 23 by the fiscal body of an eligible municipality under this  
 24 chapter.

25 (8) "Transportation asset management plan" has the meaning  
 26 set forth in IC 8-23-30-1.

27 **Sec. 2. (a)** The fiscal body of an eligible municipality may,  
 28 subject to subsections (d) and (e), adopt an ordinance to impose an  
 29 annual license excise surtax on each motor vehicle listed in  
 30 subsection (c) that is registered in the eligible municipality. The  
 31 eligible municipality may impose the surtax at a specific amount  
 32 of:

33 (1) at least seven dollars and fifty cents (\$7.50); and

34 (2) not more than twenty-five dollars (\$25).

35 **The eligible municipality shall state the surtax rate or amount in**  
 36 **the ordinance that imposes the tax.**

37 **(b)** Subject to the limits and requirements of this section, the  
 38 fiscal body of an eligible municipality may do any of the following:

39 (1) Impose the annual license excise surtax at the same  
 40 amount on each motor vehicle that is subject to the tax.

41 (2) Impose the annual license excise surtax on vehicles subject  
 42 to the tax at one (1) or more different amounts based on the



1 class of vehicle listed in subsection (c).

2 (c) The license excise surtax applies to the following vehicles:

3 (1) Passenger vehicles.

4 (2) Motorcycles.

5 (3) Trucks with a declared gross weight that does not exceed  
6 eleven thousand (11,000) pounds.

7 (4) Motor driven cycles.

8 (d) The fiscal body of an eligible municipality may not adopt an  
9 ordinance to impose the surtax unless the fiscal body concurrently  
10 adopts an ordinance under IC 6-3.5-11 to impose the municipal  
11 wheel tax.

12 (e) The fiscal body of an eligible municipality may not adopt an  
13 ordinance to impose the surtax unless the eligible municipality uses  
14 a transportation asset management plan approved by the Indiana  
15 department of transportation.

16 Sec. 3. If the fiscal body of an eligible municipality adopts an  
17 ordinance imposing the surtax after December 31 but before July  
18 1 of the following year, a motor vehicle is subject to the tax if the  
19 motor vehicle is registered in the adopting municipality after  
20 December 31 of the year in which the ordinance is adopted. If the  
21 fiscal body of an eligible municipality adopts an ordinance  
22 imposing the surtax after June 30 but before the following January  
23 1, a motor vehicle is subject to the tax if the motor vehicle is  
24 registered in the adopting municipality after December 31 of the  
25 year following the year in which the ordinance is adopted.  
26 However, in the first year the surtax is effective, the surtax does  
27 not apply to the registration of a motor vehicle for the registration  
28 year that commenced in the calendar year preceding the year the  
29 surtax is first effective.

30 Sec. 4. (a) After January 1 but before July 1 of any year, the  
31 fiscal body of an adopting municipality may, subject to the  
32 limitations imposed by subsection (b), adopt an ordinance to  
33 rescind the surtax. If a fiscal body adopts an ordinance to rescind  
34 the surtax, the surtax does not apply to a motor vehicle registered  
35 after December 31 of the year in which the ordinance is adopted.

36 (b) A fiscal body may not adopt an ordinance to rescind the  
37 surtax unless the fiscal body concurrently adopts an ordinance  
38 under IC 6-3.5-11 to rescind the municipal wheel tax.

39 Sec. 5. The fiscal body of an adopting municipality may adopt  
40 an ordinance to increase or decrease the surtax amount. The new  
41 surtax amount must be within the range of amounts prescribed by  
42 section 2 of this chapter. A new amount that is established by an



1 ordinance that is adopted after December 31 but before July 1 of  
2 the following year applies to motor vehicles registered after  
3 December 31 of the year in which the ordinance to change the  
4 amount is adopted. A new amount that is established by an  
5 ordinance that is adopted after June 30 but before January 1 of the  
6 following year applies to motor vehicles registered after December  
7 31 of the year following the year in which the ordinance is adopted.

8 Sec. 6. If the fiscal body of an eligible municipality adopts an  
9 ordinance to impose, rescind, or change the amount of the surtax,  
10 the fiscal body shall send a copy of the ordinance to the  
11 commissioner of the bureau of motor vehicles.

12 Sec. 7. A person may not register a motor vehicle in an adopting  
13 municipality unless the person pays the surtax due, if any, to the  
14 bureau of motor vehicles. The amount of the surtax due equals the  
15 amount established under section 2 of this chapter. The bureau of  
16 motor vehicles shall collect the surtax due, if any, at the time a  
17 motor vehicle is registered.

18 Sec. 8. (a) If a vehicle has been acquired or brought into  
19 Indiana, or for any other reason becomes subject to registration  
20 after the regular annual registration date in the year on or before  
21 which the owner of the vehicle is required under the motor vehicle  
22 registration laws of Indiana to register vehicles, the amount of the  
23 surtax shall be reduced in the same manner as the excise tax is  
24 reduced under IC 6-6-5-7.2.

25 (b) The owner of a vehicle who sells the vehicle in a year in  
26 which the owner has paid the surtax imposed by this chapter is  
27 entitled to receive a credit that is calculated in the same manner  
28 and subject to the same requirements as the credit for the excise  
29 tax under IC 6-6-5-7.2.

30 (c) If the name of the owner of a vehicle is legally changed and  
31 the change has caused a change in the owner's annual registration  
32 date, the surtax liability of the owner shall be adjusted in the same  
33 manner as excise taxes are adjusted under IC 6-6-5-7.2.

34 Sec. 9. On or before the tenth day of the month following the  
35 month in which the surtax is collected, the bureau of motor vehicles  
36 shall remit the surtax to the fiscal officer of the adopting  
37 municipality that imposed the surtax. Concurrently with the  
38 remittance, the bureau of motor vehicles shall file a surtax  
39 collections report prepared on forms prescribed by the state board  
40 of accounts with the fiscal officer of the adopting municipality.

41 Sec. 10. (a) The fiscal officer of an adopting municipality shall  
42 deposit the surtax revenues in a fund to be known as the



1 "municipal surtax fund".

2 (b) An adopting municipality may use the surtax revenues that  
3 the adopting municipality receives under this section only to  
4 construct, reconstruct, repair, or maintain streets and roads under  
5 the adopting municipality's jurisdiction.

6 Sec. 11. On or before August 1 of each year, the fiscal officer of  
7 an adopting municipality shall provide the fiscal body of the  
8 adopting municipality with an estimate of the surtax revenues to be  
9 received by the adopting municipality during the next calendar  
10 year. The adopting municipality shall include the estimated surtax  
11 revenues in the adopting municipality's budget estimate for the  
12 calendar year.

13 Sec. 12. The department or the bureau of motor vehicles, as  
14 applicable, may impose a service charge under IC 9-29 for each  
15 surtax collected under this chapter.

16 Sec. 13. (a) The owner of a motor vehicle who knowingly  
17 registers the vehicle without paying the surtax imposed under this  
18 chapter with respect to that registration commits a Class B  
19 misdemeanor.

20 (b) An employee of the bureau of motor vehicles who recklessly  
21 issues a registration on any motor vehicle without collecting the  
22 surtax imposed under this chapter with respect to that registration  
23 commits a Class B misdemeanor.

24 SECTION 16. IC 6-3.5-11 IS ADDED TO THE INDIANA CODE  
25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
26 UPON PASSAGE]:

27 **Chapter 11. Municipal Wheel Tax**

28 **Sec. 1. The following definitions apply throughout this chapter:**

- 29 (1) "Adopting municipality" means an eligible municipality  
30 that has adopted the wheel tax.  
31 (2) "Branch office" means a branch office of the bureau of  
32 motor vehicles.  
33 (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).  
34 (4) "Commercial vehicle" has the meaning set forth in  
35 IC 6-6-5.5-1(c).  
36 (5) "Department" refers to the department of state revenue.  
37 (6) "Eligible municipality" means a municipality having a  
38 population of at least twenty thousand (20,000).  
39 (7) "In-state miles" has the meaning set forth in  
40 IC 6-6-5.5-1(i).  
41 (8) "Political subdivision" has the meaning set forth in  
42 IC 34-6-2-110.



(9) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

(10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

(11) "State agency" has the meaning set forth in IC 34-6-2-141.

(12) "Tractor" has the meaning set forth in IC 9-13-2-180.

(13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).

(14) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.

(15) "Truck" has the meaning set forth in IC 9-13-2-188(a).

(16) "Wheel tax" means the tax imposed under this chapter.

Sec. 2. (a) The fiscal body of an eligible municipality may, subject to subsections (b) and (c), adopt an ordinance to impose an annual wheel tax on each vehicle that:

(1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;

(2) is not exempt from the wheel tax under section 4 of this chapter; and

(3) is registered in the eligible municipality.

(b) The fiscal body of an eligible municipality may not adopt an ordinance to impose the wheel tax unless the fiscal body concurrently adopts an ordinance under IC 6-3.5-10 to impose the annual license excise surtax.

(c) The fiscal body of an eligible municipality may not adopt an ordinance to impose the wheel tax unless the eligible municipality uses a transportation asset management plan approved by the Indiana department of transportation.

(d) The fiscal body of an eligible municipality may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the fiscal body may establish different rates within the classes of buses, recreational vehicles, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles may not be less than five dollars (\$5) and may not exceed forty dollars (\$40). The fiscal body shall state the initial wheel tax rates in the ordinance that imposes the tax.

Sec. 3. The wheel tax applies to the following classes of vehicles:

(1) Buses.

(2) Recreational vehicles.





1 (3) Semitrailers.

2 (4) Tractors.

3 (5) Trailers.

4 (6) Trucks.

5 Sec. 4. A vehicle is exempt from the wheel tax imposed under  
6 this chapter if the vehicle is:

7 (1) owned by the state;

8 (2) owned by a state agency of the state;

9 (3) owned by a political subdivision of the state;

10 (4) subject to the annual license excise surtax imposed under  
11 IC 6-3.5-10; or

12 (5) a bus owned and operated by a religious or nonprofit  
13 youth organization and used to transport persons to religious  
14 services or for the benefit of its members.

15 Sec. 5. If the fiscal body of an eligible municipality adopts an  
16 ordinance imposing the wheel tax after December 31 but before  
17 July 1 of the following year, a vehicle described in section 2(a) of  
18 this chapter is subject to the tax if the vehicle is registered in the  
19 adopting municipality after December 31 of the year in which the  
20 ordinance is adopted. If a fiscal body adopts an ordinance imposing  
21 the wheel tax after June 30 but before the following January 1, a  
22 vehicle described in section 2(a) of this chapter is subject to the tax  
23 if the vehicle is registered in the adopting municipality after  
24 December 31 of the year following the year in which the ordinance  
25 is adopted. However, in the first year the tax is effective, the tax  
26 does not apply to the registration of a motor vehicle for the  
27 registration year that commenced in the calendar year preceding  
28 the year the tax is first effective.

29 Sec. 6. (a) After January 1 but before July 1 of any year, the  
30 fiscal body of an adopting municipality may, subject to the  
31 limitations imposed by subsection (b), adopt an ordinance to  
32 rescind the wheel tax. If a fiscal body adopts an ordinance to  
33 rescind the wheel tax, the wheel tax does not apply to a vehicle  
34 registered after December 31 of the year the ordinance is adopted.

35 (b) The fiscal body of an adopting municipality may not adopt  
36 an ordinance to rescind the wheel tax unless the fiscal body  
37 concurrently adopts an ordinance under IC 6-3.5-10 to rescind the  
38 annual license excise surtax.

39 Sec. 7. The fiscal body of an adopting municipality may adopt  
40 an ordinance to increase or decrease the wheel tax rates. The new  
41 wheel tax rates must be within the range of rates prescribed by  
42 section 2 of this chapter. New rates that are established by an



ordinance that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after December 31 of the year in which the ordinance to change the rates is adopted. New rates that are established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

Sec. 8. If the fiscal body of an eligible municipality adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the fiscal body shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles and to the commissioner of the department of state revenue.

Sec. 9. (a) Every owner of a vehicle for which the wheel tax has been paid for the owner's registration year is entitled to a credit if during that registration year the owner sells the vehicle. The amount of the credit equals the wheel tax paid by the owner for the vehicle that was sold. The credit may be applied by the owner only against the wheel tax owed for a vehicle that is purchased during the same registration year.

(b) An owner of a vehicle is not entitled to a refund of any part of a credit that is not used under this section.

Sec. 10. A person may not register a vehicle in an adopting municipality unless the person pays the wheel tax due, if any, to the bureau of motor vehicles or (if applicable) to the department of state revenue. The amount of the wheel tax due is based on the wheel tax rate, for that class of vehicle, in effect at the time of registration. The bureau of motor vehicles or (if applicable) the department of state revenue shall collect the wheel tax due, if any, at the time a motor vehicle is registered. The department or the bureau of motor vehicles, as applicable, may impose a service charge under IC 9-29 for each wheel tax collection made under this chapter.

Sec. 11. (a) An owner of one (1) or more commercial vehicles paying an apportioned registration to the state under the International Registration Plan that is required to pay a wheel tax shall pay an apportioned wheel tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles. The apportioned wheel tax under this section shall be paid at the same time and in the same manner as the commercial vehicle excise tax under IC 6-6-5.5.



(b) A voucher from the department showing payment of the wheel tax may be accepted by the bureau of motor vehicles instead of the payment required under section 10 of this chapter.

Sec. 12. On or before the tenth day of the month following the month in which the wheel tax is collected, the bureau of motor vehicles shall remit the wheel tax to the fiscal officer of the adopting municipality that imposed the wheel tax. Concurrently with the remittance, the bureau shall file a wheel tax collections report prepared on forms prescribed by the state board of accounts with the fiscal officer of the adopting municipality.

Sec. 13. (a) If the wheel tax is collected directly by the bureau of motor vehicles instead of at a branch office, the commissioner of the bureau shall:

(1) remit the wheel tax to, and file a wheel tax collections report with, the fiscal officer of the appropriate municipality; and

(2) file a wheel tax collections report with the fiscal officer of the appropriate municipality;

in the same manner and at the same time that a branch office manager is required to remit and report under section 12 of this chapter.

(b) If the wheel tax for a commercial vehicle is collected directly by the department, the commissioner of the department shall:

(1) remit the wheel tax to, and file a wheel tax collections report with, the fiscal officer of the appropriate municipality; and

(2) file a wheel tax collections report with the fiscal officer of the appropriate municipality;

in the same manner and at the same time that a branch office manager is required to remit and report under section 12 of this chapter.

Sec. 14. (a) The fiscal officer of an adopting municipality shall deposit the wheel tax revenues in a fund to be known as the "municipal wheel tax fund".

(b) An adopting municipality may use the wheel tax revenues that the municipality receives under this section only:

(1) to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction; or

(2) as a contribution to an authority established under IC 36-7-23.

Sec. 15. On or before August 1 of each year, the fiscal officer of an adopting municipality shall provide the fiscal body of the



adopting municipality with an estimate of the wheel tax revenues to be received by the adopting municipality during the next calendar year. The adopting municipality shall include the estimated wheel tax revenues in the adopting municipality's budget estimate for the calendar year.

Sec. 16. (a) The owner of a vehicle who knowingly registers the vehicle without paying the wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles or of the department of state revenue who recklessly issues a registration on any vehicle without collecting the wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

SECTION 17. IC 6-3.6-6-4, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 4. The adopting body shall, by ordinance, determine how the additional revenue from a tax under this chapter must be allocated in subsequent years. The ordinance must be adopted before July 1 and first applies in the following year and then thereafter until it is rescinded or modified. The revenue must be allocated among the following uses as provided in this chapter:

(1) Public safety.

**(2) Road and bridge projects.**

~~(2)~~ **(3) Economic development projects.**

~~(3)~~ **(4) Certified shares.**

The ordinance may describe the allocation of additional revenue by use of percentages or dollar amounts.

SECTION 18. IC 6-3.6-6-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 7.5. (a) This section applies to the allocation of additional revenues from a tax under this chapter for road and bridge purposes.

(b) The amount of the certified distribution that is allocated to road and bridge purposes shall be allocated to the county and each municipality in the county that is carrying out at least one (1) of the road and bridge purposes. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality



that is entitled to a distribution under this section for the calendar year is equal to the product of:

(1) the amount of the certified distribution that is allocated to road and bridge purposes; multiplied by

(2) a fraction equal to:

(A) the result of the attributed allocation amount of the county or municipality for the calendar year; divided by

(B) the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for the calendar year.

(c) A county or municipality may use money allocated to the county or the municipality under subsection (b) only for:

(1) the county's or municipality's contribution to the funding of an eligible project (as defined in IC 8-23-30-1) for which the county or municipality is seeking a matching grant under IC 8-23-30; or

(2) a purpose described in IC 8-14-2-5(1).

SECTION 19. IC 6-3.6-6-10, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 10. (a) This section applies to additional revenue from a tax under this chapter that is allocated for certified shares.

(b) Additional revenue remaining from a tax imposed under this chapter, after deducting the amounts allocated to public safety purposes, **road and bridge purposes**, and economic development purposes, shall be allocated among the civil taxing units as certified shares.

SECTION 20. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 5. (a) Before August 2 of each calendar year, the budget agency shall provide to the department of local government finance and the county auditor of each adopting county an estimate of the amount determined under section 4 of this chapter that will be distributed to the county, based on known tax rates. Not later than fifteen (15) days after receiving the estimate of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, **road and bridge revenue**, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the



department's estimate, the county auditor shall notify each taxing unit of the amounts estimated for the taxing unit.

(b) Before October 1 of each calendar year, the budget agency shall certify to the department of local government finance and the county auditor of each adopting county:

- (1) the amount determined under section 4 of this chapter; and
- (2) the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year.

The amount certified is the county's certified distribution for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not later than fifteen (15) days after receiving the amount of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the certified amount of property tax credits, school distributions, public safety revenue, **road and bridge revenue**, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the department's estimate, the county auditor shall notify each taxing unit of the certified amounts for the taxing unit.

SECTION 21. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. **(a)** A license tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all gasoline used in Indiana **at the applicable rate specified in subsection (b)**, except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and collected from the purchaser so that the ultimate consumer bears the burden of the tax.

**(b) The license tax described in subsection (a) is imposed at one (1) of the following rates, as applicable:**

- (1) Before July 1, 2016, eighteen cents (\$0.18) per gallon.**
- (2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:**
  - (A) Eighteen cents (\$0.18) per gallon.**
  - (B) The factor determined under IC 6-6-1.6-2.**

**The department shall publish the rate determined under this subdivision on the department's Internet web site not later**



than June 1, 2016.

SECTION 22. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 1.6. Fuel Tax Index Factors**

**Sec. 1. The following definitions apply throughout this chapter:**

(1) "CPI-U" means the Consumer Price Index for all Urban Consumers, U.S. city average, all items, using the index base period of 1982-84 equal to one hundred (100), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(2) "Department" refers to the department of state revenue.

(3) "NHCCI" means the National Highway Construction Cost Index as published by the Federal Highway Administration of the United States Department of Transportation.

**Sec. 2. (a) The department shall calculate the factor specified in subsection (b) before June 1, 2016.**

**(b) The fuel tax index factor in this section equals the factor determined in STEP FOUR of the following formula:**

**STEP ONE: Divide the annual CPI-U for 2015 by the annual CPI-U for 2002.**

**STEP TWO: Divide the annual NHCCI for 2015 by the annual NHCCI for 2003.**

**STEP THREE: Add:**

**(A) the STEP ONE result; and**

**(B) the STEP TWO result.**

**STEP FOUR: Divide the STEP THREE result by two (2).**

SECTION 23. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 22.5. As used in this chapter, "special fuel gallon" means:**

**(1) except as provided in subdivisions (2) and (3), a gallon of special fuel;**

**(2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or**

**(3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas.**

SECTION 24. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 28. (a) A license tax of sixteen cents (\$0.16) per:**

**(+) gallon;**



(2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)); in the case of a special fuel that is liquid natural gas; or

(3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)); in the case of a special fuel that is compressed natural gas;

is imposed on all special fuel sold or used in producing or generating power for propelling motor vehicles, except fuel used under section 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in subsection (b)**. The tax shall be paid at those times, in the manner, and by those persons specified in this section and section 35 of this chapter.

**(b) The license tax described in subsection (a) is imposed at one (1) of the following rates, as applicable:**

**(1) Before July 1, 2016, sixteen cents (\$0.16) per special fuel gallon.**

**(2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:**

**(A) Sixteen cents (\$0.16) per special fuel gallon.**

**(B) The factor determined under IC 6-6-1.6-2.**

**The department shall publish the rate determined under this subdivision on the department's Internet web site not later than June 1, 2016.**

~~(b)~~ (c) The department shall consider it a rebuttable presumption that all undyed or unmarked special fuel, or both, received in Indiana is to be sold for use in propelling motor vehicles.

~~(c)~~ (d) Except as provided in subsection ~~(d)~~; (e), the tax imposed on special fuel by subsection (a) shall be measured by invoiced gallons (or diesel or gasoline gallon equivalents in the case of a special fuel described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of this chapter** of nonexempt special fuel received by a licensed supplier in Indiana for sale or resale in Indiana or with respect to special fuel subject to a tax precollection agreement under section 35(d) of this chapter, such special fuel removed by a licensed supplier from a terminal outside of Indiana for sale for export or for export to Indiana and in any case shall generally be determined in the same manner as the tax imposed by Section 4081 of the Internal Revenue Code and Code of Federal Regulations.

~~(d)~~ (e) The tax imposed by subsection (a) on special fuel imported into Indiana, other than into a terminal, is imposed at the time the product is entered into Indiana and shall be measured by invoiced gallons received at a terminal or at a bulk plant.

~~(e)~~ (f) In computing the tax, all special fuel in process of transfer from tank steamers at boat terminal transfers and held in storage pending wholesale bulk distribution by land transportation, or in tanks





and equipment used in receiving and storing special fuel from interstate pipelines pending wholesale bulk reshipment, shall not be subject to tax.

(g) The department shall consider it a rebuttable presumption that special fuel consumed in a motor vehicle plated for general highway use is subject to the tax imposed under this chapter. A person claiming exempt use of special fuel in such a vehicle must maintain adequate records as required by the department to document the vehicle's taxable and exempt use.

(h) A person that engages in blending fuel for taxable sale or use in Indiana is primarily liable for the collection and remittance of the tax imposed under subsection (a). The person shall remit the tax due in conjunction with the filing of a monthly report in the form prescribed by the department.

(i) A person that receives special fuel that has been blended for taxable sale or use in Indiana is secondarily liable to the state for the tax imposed under subsection (a).

(j) A person may not use special fuel on an Indiana public highway if the special fuel contains a sulfur content that exceeds five one-hundredths of one percent (0.05%). A person who knowingly:

(1) violates; or

(2) aids or abets another person to violate;

this subsection commits a Class A infraction. However, the violation is a Class A misdemeanor if the person has committed one (1) prior unrelated violation of this subsection, and a Level 6 felony if the person has committed more than one (1) unrelated violation of this subsection.

SECTION 25. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use, deliver, or store in Indiana special fuel in bulk as to which dye or a marker, or both, has not been added in accordance with section 31 of this chapter, or as to which the tax imposed by this chapter has not been paid to or accrued by a licensed supplier or licensed permissive supplier as shown by a notation on a terminal-issued shipping paper subject to the following exceptions:

(1) A supplier shall be exempt from this provision with respect to special fuel manufactured in Indiana or imported by pipeline or waterborne barge and stored within a terminal in Indiana.

(2) An end user shall be exempt from this provision with respect to special fuel in a vehicle supply tank when the fuel was placed in the vehicle supply tank outside of Indiana.

(3) A licensed importer, and transporter operating on the



importer's behalf, that transports in vehicles with a capacity of more than five thousand four hundred (5,400) gallons, shall be exempt from this prohibition if the importer or the transporter has met all of the following conditions:

(A) The importer or the transporter before entering onto the highways of Indiana has obtained an import verification number from the department not earlier than twenty-four (24) hours before entering Indiana.

(B) The import verification number must be set out prominently and indelibly on the face of each copy of the terminal-issued shipping paper carried on board the transport truck.

(C) The terminal origin and the importer's name and address must be set out prominently on the face of each copy of the terminal-issued shipping paper.

(D) The terminal-issued shipping paper data otherwise required by this chapter is present.

(E) All tax imposed by this chapter with respect to previously requested import verification number activity on the account of the importer or the transporter has been timely remitted.

In every case, a transporter acting in good faith is entitled to rely upon representations made to the transporter by the fuel supplier or importer and when acting in good faith is not liable for the negligence or malfeasance of another person. A person who knowingly violates or knowingly aids and abets another person in violating this subsection commits a Level 6 felony.

(b) No person shall export special fuel from Indiana unless that person has obtained an exporter's license or a supplier's license or has paid the destination state special fuel tax to the supplier and can demonstrate proof of export in the form of a destination state bill of lading. A person who knowingly violates or knowingly aids and abets another person in violating this subsection commits a Level 6 felony.

(c) No person shall operate or maintain a motor vehicle on any public highway in Indiana with special fuel contained in the fuel supply tank for the motor vehicle that contains dye or a marker, or both, as provided under section 31 of this chapter. This provision does not apply to persons operating motor vehicles that have received fuel into their fuel tanks outside of Indiana in a jurisdiction that permits introduction of dyed or marked, or both, special fuel of that color and type into the motor fuel tank of highway vehicles or to a person that qualifies for the federal fuel tax exemption under Section 4082 of the Internal Revenue Code and that is registered with the department as a



1 dyed fuel user. A person who knowingly:

2 (1) violates; or

3 (2) aids and abets another person in violating;

4 this subsection commits a Class A infraction. However, the violation  
5 is a Class A misdemeanor if the person has committed one (1) prior  
6 unrelated violation of this subsection, and a Level 6 felony if the person  
7 has committed more than one (1) prior unrelated violation of this  
8 subsection.

9 (d) No person shall engage in any business activity in Indiana as to  
10 which a license is required by section 41 of this chapter unless the  
11 person shall have first obtained the license. A person who knowingly  
12 violates or knowingly aids and abets another person in violating this  
13 subsection commits a Level 6 felony.

14 (e) No person shall operate a motor vehicle with a capacity of more  
15 than five thousand four hundred (5,400) gallons that is engaged in the  
16 shipment of special fuel on the public highways of Indiana and that is  
17 destined for a delivery point in Indiana, as shown on the  
18 terminal-issued shipping papers, without having on board a  
19 terminal-issued shipping paper indicating with respect to any special  
20 fuel purchased:

21 (1) under claim of exempt use, a notation describing the load or  
22 the appropriate portion of the load as Indiana tax exempt special  
23 fuel;

24 (2) if not purchased under a claim of exempt use, a notation  
25 describing the load or the appropriate portion thereof as Indiana  
26 taxed or pretaxed special fuel; or

27 (3) if imported by or on behalf of a licensed importer instead of  
28 the pretaxed notation, a valid verification number provided before  
29 entry into Indiana by the department or the department's designee  
30 or appointee, and the valid verification number may be  
31 handwritten on the shipping paper by the transporter or importer.

32 A person is in violation of subdivision (1) or (2) (whichever applies) if  
33 the person boards the vehicle with a shipping paper that does not meet  
34 the requirements described in the applicable subdivision (1) or (2). A  
35 person in violation of this subsection commits a Class A infraction (as  
36 defined in IC 34-28-5-4).

37 (f) A person may not sell or purchase any product for use in the  
38 supply tank of a motor vehicle for general highway use that does not  
39 meet ASTM standards as published in the annual Book of Standards  
40 and its supplements unless amended or modified by rules adopted by  
41 the department under IC 4-22-2. The transporter and the transporter's  
42 agent and customer have the exclusive duty to dispose of any product



in violation of this section in the manner provided by federal and state law. A person who knowingly:

- (1) violates; or
  - (2) aids and abets another in violating;
- this subsection commits a Level 6 felony.

(g) This subsection does not apply to the following:

- (1) A person that:
  - (A) inadvertently manipulates the dye or marker concentration of special fuel or coloration of special fuel; and
  - (B) contacts the department within one (1) business day after the date on which the contamination occurs.
- (2) A person that affects the dye or marker concentration of special fuel by engaging in the blending of the fuel, if the blender:
  - (A) collects or remits, or both, all tax due as provided in section ~~28(g)~~ **28(h)** of this chapter;
  - (B) maintains adequate records as required by the department to account for the fuel that is blended and its status as a taxable or exempt sale or use; and
  - (C) is otherwise in compliance with this subsection.

A person may not manipulate the dye or marker concentration of a special fuel or the coloration of special fuel after the special fuel is removed from a terminal or refinery rack for sale or use in Indiana. A person who knowingly violates or aids and abets another person to violate this subsection commits a Level 6 felony.

(h) This subsection does not apply to a person that receives blended fuel from a person in compliance with subsection (g)(2). A person may not sell or consume special fuel if the special fuel dye or marker concentration or coloration has been manipulated, inadvertently or otherwise, after the special fuel has been removed from a terminal or refinery rack for sale or use in Indiana. A person who knowingly:

- (1) violates; or
  - (2) aids and abets another to violate;
- this subsection commits a Level 6 felony.

(i) A person may not engage in blending fuel for taxable use in Indiana without collecting and remitting the tax due on the untaxed portion of the fuel that is blended. A person who knowingly:

- (1) violates; or
  - (2) aids and abets another to violate;
- this subsection commits a Level 6 felony.

SECTION 26. IC 6-6-2.5-64 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any person liable for the tax files a false or fraudulent return, there shall be



1 added to the tax an amount equal to the tax the person evaded or  
2 attempted to evade.

3 (b) The department shall impose a civil penalty of one thousand  
4 dollars (\$1,000) for a person's first occurrence of transporting special  
5 fuel without adequate shipping papers as required under sections 40,  
6 41(g), and 62(e) of this chapter, unless the person shall have complied  
7 with rules adopted under IC 4-22-2. Each subsequent occurrence  
8 described in this subsection is subject to a civil penalty of five thousand  
9 dollars (\$5,000).

10 (c) The department shall impose a civil penalty on the operator of  
11 a vehicle of two hundred dollars (\$200) for the initial occurrence, two  
12 thousand five hundred dollars (\$2,500) for the second occurrence, and  
13 five thousand dollars (\$5,000) for the third and each subsequent  
14 occurrence of a violation of either:

15 (1) the prohibition of use of dyed or marked special fuel, or both,  
16 on the Indiana public highways, except for a person that qualifies  
17 for the federal fuel tax exemption under Section 4082 of the  
18 Internal Revenue Code and that is registered with the department  
19 as a dyed fuel user; or

20 (2) the use of special fuel in violation of section ~~28(i)~~ 28(j) of this  
21 chapter.

22 (d) A supplier that makes sales for export to a person:

23 (1) who does not have an appropriate export license; or

24 (2) without collection of the destination state tax on special fuel  
25 nonexempt in the destination state;

26 shall be subject to a civil penalty equal to the amount of Indiana's  
27 special fuel tax in addition to the tax due.

28 (e) The department may impose a civil penalty of one thousand  
29 dollars (\$1,000) for each occurrence against every terminal operator  
30 that fails to meet shipping paper issuance requirements under section  
31 40 of this chapter.

32 (f) Each importer or transporter who knowingly imports undyed or  
33 unmarked special fuel, or both, in a transport truck without:

34 (1) a valid importer license;

35 (2) a supplier license;

36 (3) an import verification number, if transporting in a vehicle with  
37 a capacity of more than five thousand four hundred (5,400)  
38 gallons; or

39 (4) a shipping paper showing on the paper's face as required under  
40 this chapter that Indiana special fuel tax is not due;

41 is subject to a civil penalty of ten thousand dollars (\$10,000) for each  
42 occurrence described in this subsection.



(g) This subsection does not apply to a person if section 62(g) of this chapter does not apply to the person. A:

(1) person that manipulates the dye or marker concentration of special fuel or the coloration of special fuel after the special fuel is removed from a terminal or refinery rack for sale or use in Indiana; and

(2) person that receives the special fuel; are jointly and severally liable for the special fuel tax due on the portion of untaxed fuel plus a penalty equal to the greater of one hundred percent (100%) of the tax due or one thousand dollars (\$1,000).

(h) A person that engages in blending fuel for taxable sale or use in Indiana and does not collect and remit all tax due on untaxed fuel that is blended is liable for the tax due plus a penalty that is equal to the greater of one hundred percent (100%) of the tax due or one thousand dollars (\$1,000).

SECTION 27. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. (a) As used in this section, "surcharge gallon" means, as applicable:

(1) a gallon of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as butane or propane);

(2) a diesel gallon equivalent of a special fuel that is liquid natural gas; or

(3) a gasoline gallon equivalent of a special fuel that is compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

(a) (b) A surcharge tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana **at the applicable rate specified in subsection (c).** The rate of this surcharge tax is **eleven cents (\$0.11) per:**

(1) gallon of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as butane or propane);

(2) diesel gallon equivalent of a special fuel that is liquid natural gas; or

(3) gasoline gallon equivalent of a special fuel that is compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

The tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.



(c) The surcharge tax described in subsection (b) is imposed at one (1) of the following rates, as applicable:

(1) Before July 1, 2016, eleven cents (\$0.11) per surcharge gallon.

(2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:

(A) Eleven cents (\$0.11) per surcharge gallon.

(B) The factor determined under IC 6-6-1.6-2.

The department shall publish the rate determined under this subdivision on the department's Internet web site not later than June 1, 2016.

(d) The amount of motor fuel consumed by a carrier in its operations on highways in Indiana is the total amount of motor fuel consumed in its entire operations within and without Indiana, multiplied by a fraction. The numerator of the fraction is the total number of miles traveled on highways in Indiana, and the denominator of the fraction is the total number of miles traveled within and without Indiana.

(e) The amount of tax that a carrier shall pay for a particular quarter under this section equals the product of the tax rate in effect for that quarter, multiplied by the amount of motor fuel consumed by the carrier in its operation on highways in Indiana.

(f) Subject to section 4.8 of this chapter, a carrier is entitled to a proportional use credit against the tax imposed under this section for that portion of motor fuel used to propel equipment mounted on a motor vehicle having a common reservoir for locomotion on the highway and the operation of this equipment as determined by rule of the commissioner. An application for a proportional use credit under this subsection shall be filed on a quarterly basis on a form prescribed by the department.

SECTION 28. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.4. (a) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2007, and in the possession of a distributor may be used after June 30, 2007, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2007, and as amended by P.L.218-2007, is remitted to the department under the procedures prescribed by the department.

(b) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2016, and in the possession of a distributor may be used after June 30, 2016, only if the full amount of the tax



1 imposed by section 12 of this chapter, as effective after June 30,  
 2 2016, and as amended by HEA 1001-2016, is remitted to the  
 3 department under the procedures prescribed by the department.

4 SECTION 29. IC 6-7-1-12, AS AMENDED BY P.L.218-2007,  
 5 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2016]: Sec. 12. (a) The following taxes are imposed, and shall  
 7 be collected and paid as provided in this chapter, upon the sale,  
 8 exchange, bartering, furnishing, giving away, or otherwise disposing of  
 9 cigarettes within the state of Indiana:

10 (1) On cigarettes weighing not more than three (3) pounds per  
 11 thousand (1,000), a tax at the rate of ~~four and nine hundred~~  
 12 ~~seventy-five thousandths cents (\$0.04975)~~ **nine and nine**  
 13 **hundred seventy-five thousandths cents (\$0.09975)** per  
 14 individual cigarette.

15 (2) On cigarettes weighing more than three (3) pounds per  
 16 thousand (1,000), a tax at the rate of ~~six and six hundred twelve~~  
 17 ~~thousandths cents (\$0.06612)~~ **thirteen and two hundred**  
 18 **fifty-seven thousandths cents (\$0.13257)** per individual  
 19 cigarette, except that if any cigarettes weighing more than three  
 20 (3) pounds per thousand (1,000) shall be more than six and  
 21 one-half (6 1/2) inches in length, they shall be taxable at the rate  
 22 provided in subdivision (1), counting each two and three-fourths  
 23 (2 3/4) inches (or fraction thereof) as a separate cigarette.

24 (b) Upon all cigarette papers, wrappers, or tubes, made or prepared  
 25 for the purpose of making cigarettes, which are sold, exchanged,  
 26 bartered, given away, or otherwise disposed of within the state of  
 27 Indiana (other than to a manufacturer of cigarettes for use by ~~him~~ **the**  
 28 **manufacturer** in the manufacture of cigarettes), the following taxes  
 29 are imposed, and shall be collected and paid as provided in this  
 30 chapter:

31 (1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).

32 (2) On more than fifty (50) papers but not more than one hundred  
 33 (100) papers, a tax of one cent (\$0.01).

34 (3) On more than one hundred (100) papers, one-half cent  
 35 (\$0.005) for each fifty (50) papers or fractional part thereof.

36 (4) On tubes, one cent (\$0.01) for each fifty (50) tubes or  
 37 fractional part thereof.

38 SECTION 30. IC 6-7-1-28.1, AS AMENDED BY P.L.213-2015,  
 39 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 40 AUGUST 1, 2016]: Sec. 28.1. The taxes, registration fees, fines, or  
 41 penalties collected under this chapter shall be deposited in the  
 42 following manner:





(1) ~~Four and twenty-two hundredths percent (4.22%)~~ **Two and fifty-six hundredths percent (2.56%)** of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) ~~Six-tenths percent (0.6%)~~ **Three hundred sixty-two thousandths percent (0.362%)** of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) ~~The following amount of the money~~ **Thirty-four and one hundred fifty-eight thousandths percent (34.158%)** shall be deposited in the state general fund.

(A) ~~After June 30, 2011, and before July 1, 2013, sixty and twenty-four hundredths percent (60.24%);~~

(B) ~~After June 30, 2013, fifty-six and twenty-four hundredths percent (56.24%);~~

(4) ~~Five and forty-three hundredths percent (5.43%)~~ **Three and three-tenths percent (3.3%)** of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) ~~Twenty-seven and five hundredths percent (27.05%)~~ **Sixteen and forty-three hundredths percent (16.43%)** of the money shall be deposited in the healthy Indiana plan trust fund established by IC 12-15-44.2-17.

(6) ~~Two and forty-six hundredths percent (2.46%)~~ **Forty and seventy-six hundredths percent (40.76%)** of the money shall be deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) ~~The following amount of the money~~ **Two and forty-three hundredths percent (2.43%)** shall be deposited in the state retiree health benefit trust fund established by IC 5-10-8-8.5. ~~as follows:~~

(A) ~~Before July 1, 2011, five and seventy-four hundredths percent (5.74%);~~

(B) ~~After June 30, 2011, and before July 1, 2013, zero percent (0%);~~

(C) ~~After June 30, 2013, four percent (4%);~~

The money in the cigarette tax fund, the mental health centers fund, the healthy Indiana plan trust fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount



of that difference. Money deposited under subdivisions (6) through (7) may not be used for any purpose other than the purpose stated in the subdivision.

SECTION 31. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

(1) County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (repealed January 1, 2017) shall be distributed to counties in the same manner as otherwise provided by the appropriate chapter of the Indiana Code.

(2) Eight percent (8%) of inheritance tax collected for resident decedents shall be distributed to counties in the manner provided under IC 6-4.1-9-6.

(3) County innkeeper's tax collected shall be deposited as required by IC 6-9.

(4) County and municipal food and beverage tax collected shall be deposited as required by IC 6-9.

(5) County admissions taxes collected shall be deposited as required by IC 6-9-13 and IC 6-9-28.

(6) Aircraft license excise tax collected shall be deposited as required by IC 6-6-6.5-21.

(7) Auto rental excise tax collected shall be deposited as required by IC 6-6-9-11.

(8) Supplemental auto rental excise tax shall be deposited as otherwise required by the appropriate chapter of the Indiana Code.

(9) Financial institutions tax collected shall be deposited as required by IC 6-5.5-8-2.

(+) (10) After making the deposits required under subdivisions (1) through (9), the first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.

(-) (11) After making the deposits required under ~~subdivision~~ subdivisions (1) through (10), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line. However, the total amount transferred



under this subdivision to the Indiana department of transportation may not exceed the lesser of:

(A) six million dollars (\$6,000,000); or

(B) the total amount expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.

**(12) After making the deposits required under subdivisions (1) through (11), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited into the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the purposes of the pension stabilization fund.**

**(13) After making the deposits required under subdivisions (1) through (12), the next forty-two million dollars (\$42,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.**

**(14) Any remaining amounts collected must be deposited into the state general fund.**

SECTION 32. IC 6-8.1-3-26 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) The department shall:**

**(1) study methods of indexing fuel tax rates; and**

**(2) report the department's findings under subdivision (1) to the interim study committee on roads and transportation before October 1, 2016.**

**The department shall provide any documents prepared by the department as part of the report under subdivision (2) to the legislative services agency in an electronic format under IC 5-14-6.**

**(b) This section expires January 1, 2017.**

SECTION 33. IC 8-14-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4. (a) A qualified county which:**

**(1) has adopted the county motor vehicle excise surtax under IC 6-3.5-4 and the county wheel tax under IC 6-3.5-5;**

**(2) is imposing the county motor vehicle excise surtax at:**

**(A) the maximum allowable rate, if the qualified county sets a county motor vehicle excise surtax rate under ~~IC 6-3.5-4-2(a)(1);~~ IC 6-3.5-4-2(b)(1) or IC 6-3.5-4-2(c)(1);**

**or**

**(B) ~~an~~ the maximum allowable amount, of ~~not less than~~**



1           ~~twenty dollars (\$20);~~ if the qualified county sets the county  
 2           motor vehicle excise surtax at a specific amount under  
 3           ~~IC 6-3.5-4-2(a)(2); IC 6-3.5-4-2(b)(2) or IC 6-3.5-4-2(c)(2);~~  
 4           and

5           (3) has not issued bonds under IC 8-14-9;  
 6           may apply to the Indiana department of transportation for a loan from  
 7           the distressed road fund. At the time of the application, the county shall  
 8           notify the department of local government finance that it has made the  
 9           application.

10          (b) The application must include, at a minimum:

11           (1) a map depicting all roads and streets in the system of the  
 12           applicant; and

13           (2) a copy of that county's proposed program of work covering the  
 14           current and the immediately following calendar year.

15          SECTION 34. IC 8-14-14.1-5, AS ADDED BY P.L.213-2015,  
 16          SECTION 102, IS AMENDED TO READ AS FOLLOWS  
 17          [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After review by the  
 18          budget committee, the budget agency may, after June 30, 2015, and  
 19          before July 1, 2016, direct the auditor of state to transfer not more than  
 20          one hundred million dollars (\$100,000,000) to the fund from the state  
 21          general fund. If the budget agency directs the auditor of state to make  
 22          such a transfer, the auditor of state shall transfer to the fund the amount  
 23          determined by the budget agency. There is appropriated from the state  
 24          general fund an amount sufficient to make the transfer under this  
 25          subsection.

26           (b) After review by the budget committee, the budget agency may,  
 27           after June 30, 2016, and before July 1, 2017, direct the auditor of state  
 28           to transfer not more than one hundred million dollars (\$100,000,000)  
 29           to the fund from the state general fund. If the budget agency directs the  
 30           auditor of state to make such a transfer, the auditor of state shall  
 31           transfer to the fund the amount determined by the budget agency. There  
 32           is appropriated from the state general fund an amount sufficient to  
 33           make the transfer under this subsection.

34           (c) Notwithstanding section 3(e) of this chapter, if one (1) or more  
 35           transfers under subsection (a) ~~or (b)~~ are made to the fund, the budget  
 36           agency may after review by the budget committee transfer from the  
 37           fund to the major moves construction fund established by IC 8-14-14-5  
 38           an amount equal to the lesser of:

39           (1) ~~two~~ **one** hundred million dollars ~~(\$200,000,000);~~  
 40           **(\$100,000,000);** or

41           (2) the total amount of any transfers under subsection (a) ~~or (b)~~  
 42           that are made to the fund.



(d) Money that is transferred as described in subsection (c) may be used for any purpose of the major moves construction fund.

(e) Notwithstanding section 3(e) of this chapter, if one (1) or more transfers under subsection (b) are made to the fund, the budget agency may after review by the budget committee transfer from the fund to the state highway fund created by IC 8-23-9-54 an amount equal to the lesser of:

(1) one hundred million dollars (\$100,000,000); or

(2) the total amount of any transfers under subsection (b) that are made to the fund.

(f) Money that is transferred as described in subsection (e) may be used only for preserving or reconstructing existing state highways and bridges for which the department is responsible.

SECTION 35. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter, "authority" refers to the Indiana finance authority established under IC 4-4-11.

SECTION 36. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) Before July 1, 2016, the department shall submit a request to the Federal Highway Administration for a waiver to toll lanes on the following interstate highways:

(1) Interstate 65.

(2) Interstate 70.

(3) Interstate 80/94.

(b) Before January 1, 2017, the department shall:

(1) conduct a feasibility study on tolling the interstate highways listed in subsection (a)(1) through (a)(3); and

(2) present the feasibility study to the budget committee for review.

SECTION 37. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19. (a) There is appropriated two hundred fifty thousand dollars (\$250,000) from the state highway fund to the department for the local technical assistance program under section 5(a)(6) of this chapter for the state fiscal year beginning July 1, 2016, in order to develop a data collection system capable of collecting and compiling data from local units of government that are responsible for overseeing roads and streets.

(b) The data to be collected by the data collection system described in subsection (a) must include the following:

(1) Accounting for all revenue streams dedicated to local road



1 maintenance and construction.

2 (2) Actual expenditures on maintenance and construction.

3 (3) Planned expenditures on maintenance and construction.

4 (4) Deferred maintenance.

5 (c) The department shall submit a report on the department's  
6 progress in developing the data collection system described in  
7 subsections (a) and (b) to the legislative council in an electronic  
8 format under IC 5-14-6 not later than November 1, 2017.

9 (d) This section expires January 1, 2018.

10 SECTION 38. IC 8-23-30 IS ADDED TO THE INDIANA CODE  
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
12 UPON PASSAGE]:

13 **Chapter 30. Local Road and Bridge Matching Grant Fund**

14 **Sec. 1. The following definitions apply throughout this chapter:**

15 (1) "Eligible project" means a project:

16 (A) that is undertaken by a local unit;

17 (B) that repairs or increases the capacity of local roads and  
18 bridges;

19 (C) that is part of the local unit's transportation asset  
20 management plan; and

21 (D) for which the local unit provides funds for at least ten  
22 percent (10%) of the total project cost.

23 (2) "Fund" refers to the local road and bridge matching grant  
24 fund established by section 2 of this chapter.

25 (3) "Local unit" means a county or municipality.

26 (4) "Transportation asset management plan" includes  
27 planning for drainage systems and rights-of-way that affect  
28 transportation assets.

29 **Sec. 2. (a)** The local road and bridge matching grant fund is  
30 established to provide matching grants to local units for eligible  
31 projects.

32 (b) The department shall administer the fund.

33 (c) The fund consists of the following:

34 (1) Appropriations by the general assembly.

35 (2) Interest deposited in the fund under subsection (d).

36 (3) Money deposited in or transferred to the fund from any  
37 other source.

38 (d) The treasurer of state shall invest money in the fund not  
39 currently needed to meet the obligations of the fund in the same  
40 manner as other public money may be invested. Interest that  
41 accrues from these investments shall be deposited in the fund.

42 (e) Money in the fund at the end of a state fiscal year does not



1 revert to the state general fund.

2 (f) Money in the fund is continuously appropriated for the  
3 purpose of the fund.

4 Sec. 3. A local unit that uses a transportation asset management  
5 plan approved by the department may apply to the department for  
6 a grant from the fund for an eligible project. The application must  
7 be in the form and manner prescribed by the department.

8 Sec. 4. A local unit's application for a grant from the fund must  
9 specify the amount of money that the local unit is committing to  
10 contribute to the eligible project.

11 Sec. 5. In the evaluation of an application for a grant from the  
12 fund, the department shall give preference to projects that are  
13 anticipated by the department to have the greatest regional  
14 economic significance for the region in which the local unit is  
15 located.

16 Sec. 6. If the department approves a grant to a local unit under  
17 this chapter, the amount of the grant from the fund is equal to the  
18 amount that the local unit commits to contribute to the proposed  
19 eligible project.

20 Sec. 7. The department may adopt guidelines to implement this  
21 chapter.

22 SECTION 39. IC 9-29-5-47 IS ADDED TO THE INDIANA CODE  
23 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
24 UPON PASSAGE]: Sec. 47. (a) The fee in this section applies after  
25 December 31, 2016, to each electric vehicle that is required to be  
26 registered under IC 9-18.

27 (b) As used in this section, "electric vehicle" means a vehicle  
28 that:

- 29 (1) is propelled by an electric motor powered by a battery or  
30 other electrical device incorporated into the vehicle; and
- 31 (2) is not propelled by an engine powered by the combustion  
32 of a hydrocarbon fuel, including gasoline, diesel, propane, or  
33 liquid natural gas.

34 (c) In addition to any other fee required to register an electric  
35 vehicle under this chapter, the supplemental fee to register an  
36 electric vehicle is one hundred dollars (\$100). The fee shall be  
37 distributed to the local road and bridge matching grant fund  
38 established under IC 8-23-30.

39 SECTION 40. IC 35-52-6-24.7 IS ADDED TO THE INDIANA  
40 CODE AS A NEW SECTION TO READ AS FOLLOWS  
41 [EFFECTIVE UPON PASSAGE]: Sec. 24.7. IC 6-3.5-10-13 defines  
42 crimes concerning the municipal motor vehicle license excise



1     **surtax.**

2     SECTION 41. IC 35-52-6-24.8 IS ADDED TO THE INDIANA  
3     CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
4     [EFFECTIVE UPON PASSAGE]: **Sec. 24.8. IC 6-3.5-11-16 defines**  
5     **crimes concerning the municipal wheel tax.**

6     SECTION 42. [EFFECTIVE UPON PASSAGE] (a) There is  
7     **appropriated two million dollars (\$2,000,000) from the state**  
8     **general fund to the state department of health for its use in**  
9     **administering the tobacco use prevention and cessation program**  
10    **for the state fiscal year beginning July 1, 2016.**

11    (b) The appropriation in subsection (a) is in addition to the  
12    **appropriation in P.L.213-2015, SECTION 8, of five million dollars**  
13    **(\$5,000,000) from the tobacco master settlement agreement fund**  
14    **to the state department of health for the tobacco use prevention**  
15    **and cessation program for the state fiscal year beginning July 1,**  
16    **2016.**

17    (c) This SECTION expires July 1, 2017.

18    SECTION 43. [EFFECTIVE UPON PASSAGE] (a) There is  
19    **appropriated from the Indiana regional cities development fund**  
20    **established by IC 5-28-38-2 forty-two million dollars (\$42,000,000)**  
21    **for the purpose of funding a third grant under the regional cities**  
22    **initiative.**

23    (b) This SECTION expires June 30, 2017.

24    SECTION 44. An emergency is declared for this act.





## COMMITTEE REPORT

Madam President: The Senate Committee on Homeland Security & Transportation, to which was referred Senate Bill No. 333, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 333 as introduced.)

YODER, Chairperson

Committee Vote: Yeas 7, Nays 0

## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 333, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 4-10-22-1, AS AMENDED BY P.L.213-2015, SECTION 40, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) After the end of **the state fiscal year beginning July 1, 2015, and ending June 30, 2016, and after the end of** each odd-numbered state fiscal year **thereafter**, the office of management and budget shall calculate in the customary manner the total amount of state reserves as of the end of the state fiscal year. The office of management and budget shall make the calculation not later **than July 31, 2016, and not later** than July 31 of each odd-numbered year **thereafter**.

(b) The office of management and budget may not consider a balance in the state tuition reserve account established by IC 4-12-1-15.7 when making the calculation required by subsection (a) **in 2017 and in an odd-numbered year thereafter**.

SECTION 2. IC 4-10-22-2, AS AMENDED BY P.L.160-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. If:

(1) the total amount of state reserves calculated by the office of management and budget exceeds:

**(A) eleven and five-tenths percent (11.5%) of the general revenue appropriations for the current state fiscal year, in the case of a calculation made in calendar year 2016; or**

ES 333—LS 6693/DI 73



(B) twelve and five-tenths percent (12.5%) of the general revenue appropriations for the current state fiscal year, **in the case of a calculation made in 2017 and in an odd-numbered year thereafter;** and

(2) the accounts payable by the state at the end of the preceding state fiscal year are not unusually large as a percentage of the total amount of state reserves (as compared to recent history);

the governor shall make a presentation to the state budget committee regarding the disposition of excess state reserves under section 3 of this chapter. The presentation must be made not later **than September 30, 2016, and not later than September 30, 2017, and not later than September 30** of each odd-numbered year **thereafter**.

SECTION 3. IC 4-10-22-3, AS AMENDED BY P.L.91-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) **This subsection does not apply in calendar year 2016.** If, after completing the presentation to the state budget committee described in section 2 of this chapter, the amount of the excess reserves is fifty million dollars (\$50,000,000) or more, the governor shall do the following:

(1) If the year is calendar year 2013, transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. If the year is calendar year 2014 or **the calendar year is 2017 or an odd-numbered year** thereafter, transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.

(2) If the year is calendar year 2014 or **the calendar year is 2017 or an odd-numbered year** thereafter, use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.

(b) **This subsection applies in calendar year 2016. If excess reserves exist, and after completing the calculation required in section 1 of this chapter and the presentation to the state budget committee described in section 2 of this chapter, the governor shall transfer one hundred percent (100%) of the excess reserves to the state highway fund for road and bridge repair. This transfer shall be made from the state general fund."**

Page 2, delete lines 1 through 31.

Page 3, delete lines 5 through 13, begin a new paragraph and insert:

"SECTION 5. IC 8-14.5-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. Except as



provided in sections 2 and 5 of this chapter, the authority may, by resolution, issue and sell bonds or notes of the authority for the purpose of providing funds to carry out the provisions of this article with respect to the construction of a project or projects or the refunding of any bonds or notes, together with any reasonable costs associated with a refunding. However, the authority may not issue any bonds or notes for the construction of a project after July 1, 2007, **and before May 1, 2017. The authority may issue bonds or notes after April 30, 2017, for the construction of a project."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 333 as printed January 13, 2016.)

KENLEY, Chairperson

Committee Vote: Yeas 11, Nays 0.

---

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Roads and Transportation, to which was referred Senate Bill 333, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 3, strike "(a)".

Page 1, line 3, delete "the state fiscal year".

Page 1, delete line 4.

Page 1, line 5, delete "of".

Page 1, line 5, strike "odd-numbered".

Page 1, line 5, delete "year thereafter," and insert "year,".

Page 1, line 9, delete "than July 31, 2016, and not later".

Page 1, line 9, strike "odd-numbered".

Page 1, line 10, delete "year thereafter." and insert "year.".

Page 1, strike lines 11 through 13.

Page 1, line 13, after "(a)" insert ":-".

Page 1, delete lines 14 through 17, begin a new paragraph and insert:

"SECTION 2. IC 4-10-22-2, AS AMENDED BY P.L.160-2012, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. If

(+) the total amount of state reserves calculated by the office of management and budget exceeds ~~twelve~~ **eleven** and five-tenths

ES 333—LS 6693/DI 73



percent ~~(12.5%)~~ **(11.5%)** of the general revenue appropriations for the current state fiscal year, and

~~(2) the accounts payable by the state at the end of the preceding state fiscal year are not unusually large as a percentage of the total amount of state reserves (as compared to recent history);~~

the governor shall make a presentation to the state budget committee regarding the disposition of excess state reserves under section 3 of this chapter. The presentation must be made not later than September 30 of each ~~odd-numbered~~ year.

SECTION 3. IC 4-10-22-3, AS AMENDED BY P.L.91-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a)** ~~If~~, After completing the presentation to the state budget committee described in section 2 of this chapter, ~~the amount of the excess reserves is fifty million dollars (\$50,000,000) or more;~~ the governor shall do the following:

~~(1) If the year is calendar year 2013; transfer one hundred percent (100%) of the excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund. If the year is calendar year 2014 or thereafter; transfer fifty percent (50%) of any excess reserves to the pension stabilization fund established by IC 5-10.4-2-5 for the purposes of the pension stabilization fund.~~

~~(2) If the year is calendar year 2014 or thereafter; use fifty percent (50%) of any excess reserves for the purposes of providing an automatic taxpayer refund under section 4 of this chapter.~~

**(1) If the presentation concerns the excess reserves for the state fiscal year beginning July 1, 2015, direct the auditor of state to make the following transfers:**

**(A) To the local road and bridge matching grant fund established under IC 8-23-30, the lesser of the following:**

**(i) Thirty million dollars (\$30,000,000).**

**(ii) The amount of the excess reserves for the state fiscal year beginning July 1, 2015.**

**(B) To the state highway fund created by IC 8-23-9-54, the amount, if any, of the excess reserves remaining after making the transfer described in clause (A).**

**(2) If the presentation concerns the excess reserves for a state fiscal year beginning after June 30, 2016, direct the auditor of state to transfer one hundred percent (100%) of the excess reserves to the state highway fund created by IC 8-23-9-54.**

**(b) Money transferred to the state highway fund under this section does not revert to the state general fund at the end of a state**



fiscal year.

SECTION 4. IC 4-10-22-4 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 4. The following apply if sufficient excess state reserves are available to provide an automatic taxpayer refund to each taxpayer eligible for a refund:

- (1) To qualify for a refund, a taxpayer:
  - (A) must have filed an Indiana resident individual adjusted gross income tax return for the taxpayer's taxable year ending in the calendar year immediately preceding the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves; and
  - (B) must have adjusted gross income tax liability for the taxpayer's taxable year ending in the calendar year in which a determination is made under section 1 of this chapter that the state has excess reserves.
- (2) The amount of the refund is determined for each qualifying taxpayer as follows:
 

STEP ONE: Determine the total amount of excess state reserves that under section 3 of this chapter are available to provide automatic taxpayer refunds.

STEP TWO: Determine the total number of taxpayers that qualify for a refund under subdivision (1).

STEP THREE: Determine the result of:

  - (A) the STEP ONE result; divided by
  - (B) the STEP TWO result;

as rounded to the nearest dollar.
- (3) The refund is a refundable credit that shall first be applied as a credit against adjusted gross income tax liability in the taxpayer's taxable year in which a refund is provided. Any remaining unused credit shall be refunded to the taxpayer. The credit may not be carried forward.
- (4) If an individual and the individual's spouse are both qualifying taxpayers for purposes of this section for a taxable year and file a joint Indiana resident individual adjusted gross income tax return for the taxable year:
  - (A) the individual and the individual's spouse are considered two (2) taxpayers for purposes of determining the amount of the refund under subdivision (2) for a qualifying taxpayer; and
  - (B) the amount of the refund that the individual and the individual's spouse are entitled to claim is equal to the amount of any refund determined under subdivision (2) for a qualifying taxpayer; multiplied by two (2).



SECTION 5. IC 4-10-22-5, AS ADDED BY P.L.229-2011, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. ~~There is~~ **Amounts transferred under section 3(a)(1)(B) and 3(a)(2) of this chapter are annually appropriated a sufficient amount in a state fiscal year to carry out this chapter. from the state highway fund to the Indiana department of transportation for the Indiana department of transportation's use for preserving and reconstructing existing state highways and bridges for which the Indiana department of transportation is responsible.**

SECTION 6. IC 6-2.5-10-1, AS AMENDED BY P.L.205-2013, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) The department shall account for all state gross retail and use taxes that it collects.

**(b) Of all the state gross retail and use taxes that the department collects, the department shall determine separately the parts that:**

- (1) the department collects under IC 6-2.5-3.5; and**
- (2) the department collects under this article, less the amount described in subdivision (1).**

**(c) The department shall deposit those collections described in subsection (b)(1) in the following manner:**

- (1) Twenty-eight and five hundred seventy-one thousandths percent (28.571%) of the collections shall be paid into the state general fund.**
- (2) Forty-two and eight hundred fifty-seven thousandths percent (42.857%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.**
- (3) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the state highway fund created by IC 8-23-9-54.**
- (4) Fourteen and two hundred eighty-six thousandths percent (14.286%) of the collections shall be deposited in the local road and bridge matching grant fund established under IC 8-23-30.**

~~(b)~~ **(d) The department shall deposit those collections described in subsection (b)(2) in the following manner:**

- (1) ~~Ninety-eight~~ Ninety-nine and eight hundred forty-eight ~~thirty-eight~~ thousandths percent (~~98.848%~~) (99.838%) of the collections shall be paid into the state general fund.**
- (2) ~~One percent (1%) of the collections shall be deposited in the motor vehicle highway account established under IC 8-14-1.~~**
- (3) ~~Twenty-nine thousandths of one percent (0.029%)~~ (2)**



**Thirty-one thousandths of one percent (0.031%)** of the collections shall be deposited into the industrial rail service fund established under IC 8-3-1.7-2.

~~(4) (3)~~ **(3)** One hundred ~~twenty-three~~ **thirty-one** thousandths of one percent ~~(0.123%)~~ **(0.131%)** of the collections shall be deposited into the commuter rail service fund established under IC 8-3-1.5-20.5.

SECTION 7. IC 6-3-2-1, AS AMENDED BY P.L.80-2014, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Each taxable year, a tax at the following rate of adjusted gross income is imposed upon the adjusted gross income of every resident person, and on that part of the adjusted gross income derived from sources within Indiana of every nonresident person:

(1) For taxable years beginning before January 1, 2015, three and four-tenths percent (3.4%).

(2) For taxable years beginning after December 31, 2014, and before January 1, 2017, three and three-tenths percent (3.3%).

(3) For taxable years beginning ~~after December 31, 2016~~, **in calendar year 2017 or 2018**, three and twenty-three hundredths percent (3.23%).

**(4) For taxable years beginning in calendar year 2019 or 2020, three and nineteen hundredths percent (3.19%).**

**(5) For taxable years beginning in calendar year 2021 or 2022, three and fifteen hundredths percent (3.15%).**

**(6) For taxable years beginning in calendar year 2023 or 2024, three and one-tenth percent (3.1%).**

**(7) For taxable years beginning after calendar year 2024, three and six hundredths percent (3.06%).**

(b) Except as provided in section 1.5 of this chapter, each taxable year, a tax at the following rate of adjusted gross income is imposed on that part of the adjusted gross income derived from sources within Indiana of every corporation:

(1) Before July 1, 2012, eight and five-tenths percent (8.5%).

(2) After June 30, 2012, and before July 1, 2013, eight percent (8.0%).

(3) After June 30, 2013, and before July 1, 2014, seven and five-tenths percent (7.5%).

(4) After June 30, 2014, and before July 1, 2015, seven percent (7.0%).

(5) After June 30, 2015, and before July 1, 2016, six and five-tenths percent (6.5%).

(6) After June 30, 2016, and before July 1, 2017, six and



twenty-five hundredths percent (6.25%).

(7) After June 30, 2017, and before July 1, 2018, six percent (6.0%).

(8) After June 30, 2018, and before July 1, 2019, five and seventy-five hundredths percent (5.75%).

(9) After June 30, 2019, and before July 1, 2020, five and five-tenths percent (5.5%).

(10) After June 30, 2020, and before July 1, 2021, five and twenty-five hundredths percent (5.25%).

(11) After June 30, 2021, four and nine-tenths percent (4.9%).

(c) If for any taxable year a taxpayer is subject to different tax rates under subsection (b), the taxpayer's tax rate for that taxable year is the rate determined in the last STEP of the following STEPS:

STEP ONE: Multiply the number of months in the taxpayer's taxable year that precede the month the rate changed by the rate in effect before the rate change.

STEP TWO: Multiply the number of months in the taxpayer's taxable year that follow the month before the rate changed by the rate in effect after the rate change.

STEP THREE: Divide the sum of the amounts determined under STEPS ONE and TWO by twelve (12).

However, the rate determined under this subsection shall be rounded to the nearest one-hundredth of one percent (0.01%).

SECTION 8. IC 6-3.5-4-1, AS AMENDED BY P.L.205-2013, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

(1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a surtax first.

(2) "Branch office" means a branch office of the bureau of motor vehicles.

(3) "County council" includes the city-county council of a county that contains a consolidated city of the first class.

(4) "Motor vehicle" means a vehicle which is subject to the annual license excise tax imposed under IC 6-6-5.

(5) "Net annual license excise tax" means the tax due under IC 6-6-5 after the application of the adjustments and credits provided by that chapter.

(6) "Surtax" means the annual license excise surtax imposed by an adopting entity under this chapter.

(7) **"Transportation asset management plan" has the meaning**





**set forth in IC 8-23-30-1.**

SECTION 9. IC 6-3.5-4-2, AS AMENDED BY P.L.249-2015, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) An adopting entity of any county may, subject to the limitation imposed by subsection ~~(d)~~; **(f)**, adopt an ordinance to impose an annual license excise surtax on each motor vehicle listed in subsection ~~(c)~~ **(e)** that is registered in the county.

**(b) If a county does not use a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:**

- (1) at a rate of not less than two percent (2%) nor more than ten percent (10%); or
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than twenty-five dollars (\$25).

However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance which imposes the tax.

**(c) If a county uses a transportation asset management plan approved by the Indiana department of transportation, the adopting entity of the county may impose the surtax either:**

- (1) at a rate of at least two percent (2%) and not more than twenty percent (20%); or**
- (2) at a specific amount of at least seven dollars and fifty cents (\$7.50) and not more than fifty dollars (\$50).**

**However, the surtax on a vehicle may not be less than seven dollars and fifty cents (\$7.50). The adopting entity shall state the surtax rate or amount in the ordinance that imposes the tax.**

~~(b)~~ **(d)** Subject to the limits and requirements of this section, the adopting entity may do any of the following:

- (1) Impose the annual license excise surtax at the same rate or amount on each motor vehicle that is subject to the tax.
- (2) Impose the annual license excise surtax on vehicles subject to the tax at one (1) or more different rates based on the class of vehicle listed in subsection ~~(c)~~; **(e)**.
- ~~(c)~~ **(e)** The license excise surtax applies to the following vehicles:
  - (1) Passenger vehicles.
  - (2) Motorcycles.
  - (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.
  - (4) Motor driven cycles.

~~(d)~~ **(f)** The adopting entity may not adopt an ordinance to impose the surtax unless it concurrently adopts an ordinance under IC 6-3.5-5 to



impose the wheel tax.

(e) (g) Notwithstanding any other provision of this chapter or IC 6-3.5-5, ordinances adopted by a county council before June 1, 2013, to impose or change the annual license excise surtax and the annual wheel tax in the county remain in effect until the ordinances are amended or repealed under this chapter or IC 6-3.5-5.

SECTION 10. IC 6-3.5-5-1, AS AMENDED BY P.L.205-2013, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. ~~As used in~~ **The following definitions apply throughout** this chapter:

- (1) "Adopting entity" means either the county council or the county income tax council established by IC 6-3.5-6-2 for the county, whichever adopts an ordinance to impose a wheel tax first.
- (2) "Branch office" means a branch office of the bureau of motor vehicles.
- (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
- (4) "Commercial ~~motor~~ vehicle" has the meaning set forth in IC 6-6-5.5-1(c).
- (5) "County council" includes the city-county council of a county that contains a consolidated city of the first class.
- (6) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
- (7) "Political subdivision" has the meaning set forth in IC 34-6-2-110.
- (8) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.
- (9) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
- (10) "State agency" has the meaning set forth in IC 34-6-2-141.
- (11) "Tractor" has the meaning set forth in IC 9-13-2-180.
- (12) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- (13) **"Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.**
- (14) "Truck" has the meaning set forth in IC 9-13-2-188(a).
- (15) "Wheel tax" means the tax imposed under this chapter.

SECTION 11. IC 6-3.5-5-2, AS AMENDED BY P.L.205-2013, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) The adopting entity of any county may, subject to the limitation imposed by subsection (b), adopt an ordinance to impose an annual wheel tax on each vehicle that:

- (1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;
- (2) is not exempt from the wheel tax under section 4 of this



chapter; and

(3) is registered in the county.

(b) The adopting entity of a county may not adopt an ordinance to impose the wheel tax unless it concurrently adopts an ordinance under IC 6-3.5-4 to impose the annual license excise surtax.

(c) The adopting entity may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the adopting entity may establish different rates within the classes of buses, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles:

(1) may not be less than five dollars (\$5) and may not exceed forty dollars (\$40), **if the county does not use a transportation asset management plan approved by the Indiana department of transportation; or**

(2) may not be less than five dollars (\$5) and may not exceed eighty dollars (\$80), **if the county uses a transportation asset management plan approved by the Indiana department of transportation.**

The adopting entity shall state the initial wheel tax rates in the ordinance that imposes the tax.

SECTION 12. IC 6-3.5-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 10. Municipal Motor Vehicle License Excise Surtax**

**Sec. 1. The following definitions apply throughout this chapter:**

(1) "Adopting municipality" means an eligible municipality that has adopted the surtax.

(2) "Eligible municipality" means a municipality having a population of at least twenty thousand (20,000).

(3) "Fiscal body" has the meaning set forth in IC 36-1-2-6.

(4) "Fiscal officer" has the meaning set forth in IC 36-1-2-7.

(5) "Motor vehicle" means a vehicle that is subject to the annual license excise tax imposed under IC 6-6-5.

(6) "Municipality" has the meaning set forth in IC 36-1-2-11.

(7) "Surtax" means the annual license excise surtax imposed by the fiscal body of an eligible municipality under this chapter.

(8) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.

**Sec. 2. (a) The fiscal body of an eligible municipality may,**



subject to subsections (d) and (e), adopt an ordinance to impose an annual license excise surtax on each motor vehicle listed in subsection (c) that is registered in the eligible municipality. The eligible municipality may impose the surtax at a specific amount of:

- (1) at least seven dollars and fifty cents (\$7.50); and
- (2) not more than twenty-five dollars (\$25).

The eligible municipality shall state the surtax rate or amount in the ordinance that imposes the tax.

(b) Subject to the limits and requirements of this section, the fiscal body of an eligible municipality may do any of the following:

- (1) Impose the annual license excise surtax at the same amount on each motor vehicle that is subject to the tax.
- (2) Impose the annual license excise surtax on vehicles subject to the tax at one (1) or more different amounts based on the class of vehicle listed in subsection (c).

(c) The license excise surtax applies to the following vehicles:

- (1) Passenger vehicles.
- (2) Motorcycles.
- (3) Trucks with a declared gross weight that does not exceed eleven thousand (11,000) pounds.
- (4) Motor driven cycles.

(d) The fiscal body of an eligible municipality may not adopt an ordinance to impose the surtax unless the fiscal body concurrently adopts an ordinance under IC 6-3.5-11 to impose the municipal wheel tax.

(e) The fiscal body of an eligible municipality may not adopt an ordinance to impose the surtax unless the eligible municipality uses a transportation asset management plan approved by the Indiana department of transportation.

**Sec. 3.** If the fiscal body of an eligible municipality adopts an ordinance imposing the surtax after December 31 but before July 1 of the following year, a motor vehicle is subject to the tax if the motor vehicle is registered in the adopting municipality after December 31 of the year in which the ordinance is adopted. If the fiscal body of an eligible municipality adopts an ordinance imposing the surtax after June 30 but before the following January 1, a motor vehicle is subject to the tax if the motor vehicle is registered in the adopting municipality after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the surtax is effective, the surtax does not apply to the registration of a motor vehicle for the registration



year that commenced in the calendar year preceding the year the surtax is first effective.

**Sec. 4. (a)** After January 1 but before July 1 of any year, the fiscal body of an adopting municipality may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the surtax. If a fiscal body adopts an ordinance to rescind the surtax, the surtax does not apply to a motor vehicle registered after December 31 of the year in which the ordinance is adopted.

**(b)** A fiscal body may not adopt an ordinance to rescind the surtax unless the fiscal body concurrently adopts an ordinance under IC 6-3.5-11 to rescind the municipal wheel tax.

**Sec. 5.** The fiscal body of an adopting municipality may adopt an ordinance to increase or decrease the surtax amount. The new surtax amount must be within the range of amounts prescribed by section 2 of this chapter. A new amount that is established by an ordinance that is adopted after December 31 but before July 1 of the following year applies to motor vehicles registered after December 31 of the year in which the ordinance to change the amount is adopted. A new amount that is established by an ordinance that is adopted after June 30 but before January 1 of the following year applies to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

**Sec. 6.** If the fiscal body of an eligible municipality adopts an ordinance to impose, rescind, or change the amount of the surtax, the fiscal body shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

**Sec. 7.** A person may not register a motor vehicle in an adopting municipality unless the person pays the surtax due, if any, to the bureau of motor vehicles. The amount of the surtax due equals the amount established under section 2 of this chapter. The bureau of motor vehicles shall collect the surtax due, if any, at the time a motor vehicle is registered.

**Sec. 8. (a)** If a vehicle has been acquired or brought into Indiana, or for any other reason becomes subject to registration after the regular annual registration date in the year on or before which the owner of the vehicle is required under the motor vehicle registration laws of Indiana to register vehicles, the amount of the surtax shall be reduced in the same manner as the excise tax is reduced under IC 6-6-5-7.2.

**(b)** The owner of a vehicle who sells the vehicle in a year in which the owner has paid the surtax imposed by this chapter is entitled to receive a credit that is calculated in the same manner



and subject to the same requirements as the credit for the excise tax under IC 6-6-5-7.2.

(c) If the name of the owner of a vehicle is legally changed and the change has caused a change in the owner's annual registration date, the surtax liability of the owner shall be adjusted in the same manner as excise taxes are adjusted under IC 6-6-5-7.2.

**Sec. 9.** On or before the tenth day of the month following the month in which the surtax is collected, the bureau of motor vehicles shall remit the surtax to the fiscal officer of the adopting municipality that imposed the surtax. Concurrently with the remittance, the bureau of motor vehicles shall file a surtax collections report prepared on forms prescribed by the state board of accounts with the fiscal officer of the adopting municipality.

**Sec. 10. (a)** The fiscal officer of an adopting municipality shall deposit the surtax revenues in a fund to be known as the "municipal surtax fund".

(b) An adopting municipality may use the surtax revenues that the adopting municipality receives under this section only to construct, reconstruct, repair, or maintain streets and roads under the adopting municipality's jurisdiction.

**Sec. 11.** On or before August 1 of each year, the fiscal officer of an adopting municipality shall provide the fiscal body of the adopting municipality with an estimate of the surtax revenues to be received by the adopting municipality during the next calendar year. The adopting municipality shall include the estimated surtax revenues in the adopting municipality's budget estimate for the calendar year.

**Sec. 12.** The department or the bureau of motor vehicles, as applicable, may impose a service charge under IC 9-29 for each surtax collected under this chapter.

**Sec. 13. (a)** The owner of a motor vehicle who knowingly registers the vehicle without paying the surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles who recklessly issues a registration on any motor vehicle without collecting the surtax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

SECTION 13. IC 6-3.5-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 11. Municipal Wheel Tax**



**Sec. 1. The following definitions apply throughout this chapter:**

- (1) "Adopting municipality" means an eligible municipality that has adopted the wheel tax.
- (2) "Branch office" means a branch office of the bureau of motor vehicles.
- (3) "Bus" has the meaning set forth in IC 9-13-2-17(a).
- (4) "Commercial vehicle" has the meaning set forth in IC 6-6-5.5-1(c).
- (5) "Department" refers to the department of state revenue.
- (6) "Eligible municipality" means a municipality having a population of at least twenty thousand (20,000).
- (7) "In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).
- (8) "Political subdivision" has the meaning set forth in IC 34-6-2-110.
- (9) "Recreational vehicle" has the meaning set forth in IC 9-13-2-150.
- (10) "Semitrailer" has the meaning set forth in IC 9-13-2-164(a).
- (11) "State agency" has the meaning set forth in IC 34-6-2-141.
- (12) "Tractor" has the meaning set forth in IC 9-13-2-180.
- (13) "Trailer" has the meaning set forth in IC 9-13-2-184(a).
- (14) "Transportation asset management plan" has the meaning set forth in IC 8-23-30-1.
- (15) "Truck" has the meaning set forth in IC 9-13-2-188(a).
- (16) "Wheel tax" means the tax imposed under this chapter.

**Sec. 2. (a) The fiscal body of an eligible municipality may, subject to subsections (b) and (c), adopt an ordinance to impose an annual wheel tax on each vehicle that:**

- (1) is included in one (1) of the classes of vehicles listed in section 3 of this chapter;
- (2) is not exempt from the wheel tax under section 4 of this chapter; and
- (3) is registered in the eligible municipality.

**(b) The fiscal body of an eligible municipality may not adopt an ordinance to impose the wheel tax unless the fiscal body concurrently adopts an ordinance under IC 6-3.5-10 to impose the annual license excise surtax.**

**(c) The fiscal body of an eligible municipality may not adopt an ordinance to impose the wheel tax unless the eligible municipality uses a transportation asset management plan approved by the**



Indiana department of transportation.

(d) The fiscal body of an eligible municipality may impose the wheel tax at a different rate for each of the classes of vehicles listed in section 3 of this chapter. In addition, the fiscal body may establish different rates within the classes of buses, recreational vehicles, semitrailers, trailers, tractors, and trucks based on weight classifications of those vehicles that are established by the bureau of motor vehicles for use throughout Indiana. However, the wheel tax rate for a particular class or weight classification of vehicles may not be less than five dollars (\$5) and may not exceed forty dollars (\$40). The fiscal body shall state the initial wheel tax rates in the ordinance that imposes the tax.

**Sec. 3. The wheel tax applies to the following classes of vehicles:**

- (1) Buses.**
- (2) Recreational vehicles.**
- (3) Semitrailers.**
- (4) Tractors.**
- (5) Trailers.**
- (6) Trucks.**

**Sec. 4. A vehicle is exempt from the wheel tax imposed under this chapter if the vehicle is:**

- (1) owned by the state;**
- (2) owned by a state agency of the state;**
- (3) owned by a political subdivision of the state;**
- (4) subject to the annual license excise surtax imposed under IC 6-3.5-10; or**
- (5) a bus owned and operated by a religious or nonprofit youth organization and used to transport persons to religious services or for the benefit of its members.**

**Sec. 5. If the fiscal body of an eligible municipality adopts an ordinance imposing the wheel tax after December 31 but before July 1 of the following year, a vehicle described in section 2(a) of this chapter is subject to the tax if the vehicle is registered in the adopting municipality after December 31 of the year in which the ordinance is adopted. If a fiscal body adopts an ordinance imposing the wheel tax after June 30 but before the following January 1, a vehicle described in section 2(a) of this chapter is subject to the tax if the vehicle is registered in the adopting municipality after December 31 of the year following the year in which the ordinance is adopted. However, in the first year the tax is effective, the tax does not apply to the registration of a motor vehicle for the registration year that commenced in the calendar year preceding**





the year the tax is first effective.

**Sec. 6. (a)** After January 1 but before July 1 of any year, the fiscal body of an adopting municipality may, subject to the limitations imposed by subsection (b), adopt an ordinance to rescind the wheel tax. If a fiscal body adopts an ordinance to rescind the wheel tax, the wheel tax does not apply to a vehicle registered after December 31 of the year the ordinance is adopted.

**(b)** The fiscal body of an adopting municipality may not adopt an ordinance to rescind the wheel tax unless the fiscal body concurrently adopts an ordinance under IC 6-3.5-10 to rescind the annual license excise surtax.

**Sec. 7.** The fiscal body of an adopting municipality may adopt an ordinance to increase or decrease the wheel tax rates. The new wheel tax rates must be within the range of rates prescribed by section 2 of this chapter. New rates that are established by an ordinance that is adopted after December 31 but before July 1 of the following year apply to vehicles registered after December 31 of the year in which the ordinance to change the rates is adopted. New rates that are established by an ordinance that is adopted after June 30 but before July 1 of the following year apply to motor vehicles registered after December 31 of the year following the year in which the ordinance is adopted.

**Sec. 8.** If the fiscal body of an eligible municipality adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the fiscal body shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles.

**Sec. 9. (a)** Every owner of a vehicle for which the wheel tax has been paid for the owner's registration year is entitled to a credit if during that registration year the owner sells the vehicle. The amount of the credit equals the wheel tax paid by the owner for the vehicle that was sold. The credit may be applied by the owner only against the wheel tax owed for a vehicle that is purchased during the same registration year.

**(b)** An owner of a vehicle is not entitled to a refund of any part of a credit that is not used under this section.

**Sec. 10.** A person may not register a vehicle in an adopting municipality unless the person pays the wheel tax due, if any, to the bureau of motor vehicles. The amount of the wheel tax due is based on the wheel tax rate, for that class of vehicle, in effect at the time of registration. The bureau of motor vehicles shall collect the wheel tax due, if any, at the time a motor vehicle is registered. The department or the bureau of motor vehicles, as applicable, may



impose a service charge under IC 9-29 for each wheel tax collection made under this chapter.

**Sec. 11. (a)** An owner of one (1) or more commercial vehicles paying an apportioned registration to the state under the International Registration Plan that is required to pay a wheel tax shall pay an apportioned wheel tax calculated by dividing in-state actual miles by total fleet miles generated during the preceding year. If in-state miles are estimated for purposes of proportional registration, these miles are divided by total actual and estimated fleet miles. The apportioned wheel tax under this section shall be paid at the same time and in the same manner as the commercial vehicle excise tax under IC 6-6-5.5.

**(b)** A voucher from the department showing payment of the wheel tax may be accepted by the bureau of motor vehicles instead of the payment required under section 10 of this chapter.

**Sec. 12.** On or before the tenth day of the month following the month in which the wheel tax is collected, the bureau of motor vehicles shall remit the wheel tax to the fiscal officer of the adopting municipality that imposed the wheel tax. Concurrently with the remittance, the bureau shall file a wheel tax collections report prepared on forms prescribed by the state board of accounts with the fiscal officer of the adopting municipality.

**Sec. 13. (a)** If the wheel tax is collected directly by the bureau of motor vehicles instead of at a branch office, the commissioner of the bureau shall:

- (1) remit the wheel tax to, and file a wheel tax collections report with, the fiscal officer of the appropriate municipality; and
- (2) file a wheel tax collections report with the fiscal officer of the appropriate municipality;

in the same manner and at the same time that a branch office manager is required to remit and report under section 12 of this chapter.

**(b)** If the wheel tax for a commercial vehicle is collected directly by the department, the commissioner of the department shall:

- (1) remit the wheel tax to, and file a wheel tax collections report with, the fiscal officer of the appropriate municipality; and
- (2) file a wheel tax collections report with the fiscal officer of the appropriate municipality;

in the same manner and at the same time that a branch office manager is required to remit and report under section 12 of this



chapter.

**Sec. 14. (a) The fiscal officer of an adopting municipality shall deposit the wheel tax revenues in a fund to be known as the "municipal wheel tax fund".**

**(b) An adopting municipality may use the wheel tax revenues that the municipality receives under this section only:**

- (1) to construct, reconstruct, repair, or maintain streets and roads under its jurisdiction; or**
- (2) as a contribution to an authority established under IC 36-7-23.**

**Sec. 15. On or before August 1 of each year, the fiscal officer of an adopting municipality shall provide the fiscal body of the adopting municipality with an estimate of the wheel tax revenues to be received by the adopting municipality during the next calendar year. The adopting municipality shall include the estimated wheel tax revenues in the adopting municipality's budget estimate for the calendar year.**

**Sec. 16. (a) The owner of a vehicle who knowingly registers the vehicle without paying the wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.**

**(b) An employee of the bureau of motor vehicles who recklessly issues a registration on any vehicle without collecting the wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.**

SECTION 14. IC 6-3.6-6-4, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 4. The adopting body shall, by ordinance, determine how the additional revenue from a tax under this chapter must be allocated in subsequent years. The ordinance must be adopted before July 1 and first applies in the following year and then thereafter until it is rescinded or modified. The revenue must be allocated among the following uses as provided in this chapter:

- (1) Public safety.**
- (2) Road and bridge projects.**
- ~~(2)~~ **(3) Economic development projects.**
- ~~(3)~~ **(4) Certified shares.**

The ordinance may describe the allocation of additional revenue by use of percentages or dollar amounts.

SECTION 15. IC 6-3.6-6-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: **Sec. 7.5. (a) This section applies to the allocation of additional revenues from a tax under this**



chapter for road and bridge purposes.

(b) The amount of the certified distribution that is allocated to road and bridge purposes shall be allocated to the county and each municipality in the county that is carrying out at least one (1) of the road and bridge purposes. For purposes of this subsection, in the case of a consolidated city, the total property taxes imposed by the consolidated city include the property taxes imposed by the consolidated city and all special taxing districts (except for a public library district, a public transportation corporation, and a health and hospital corporation), and all special service districts. The amount allocated under this subsection to a county or municipality that is entitled to a distribution under this section for the calendar year is equal to the product of:

- (1) the amount of the certified distribution that is allocated to road and bridge purposes; multiplied by
- (2) a fraction equal to:

- (A) the result of the attributed allocation amount of the county or municipality for the calendar year; divided by
- (B) the sum of the attributed allocation amounts of the county and each municipality in the county that is entitled to a distribution under this section for the calendar year.

(c) A county or municipality may use money allocated to the county or the municipality under subsection (b) only for:

- (1) the county's or municipality's contribution to the funding of an eligible project (as defined in IC 8-23-30-1) for which the county or municipality is seeking a matching grant under IC 8-23-30; or
- (2) a purpose described in IC 8-14-2-5(1).

SECTION 16. IC 6-3.6-6-10, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 10. (a) This section applies to additional revenue from a tax under this chapter that is allocated for certified shares.

(b) Additional revenue remaining from a tax imposed under this chapter, after deducting the amounts allocated to public safety purposes, **road and bridge purposes**, and economic development purposes, shall be allocated among the civil taxing units as certified shares.

SECTION 17. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 5. (a) Before August 2 of each calendar year, the budget agency shall provide to the department of local government



finance and the county auditor of each adopting county an estimate of the amount determined under section 4 of this chapter that will be distributed to the county, based on known tax rates. Not later than fifteen (15) days after receiving the estimate of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the estimated amount of property tax credits, school distributions, public safety revenue, **road and bridge revenue**, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the department's estimate, the county auditor shall notify each taxing unit of the amounts estimated for the taxing unit.

(b) Before October 1 of each calendar year, the budget agency shall certify to the department of local government finance and the county auditor of each adopting county:

- (1) the amount determined under section 4 of this chapter; and
- (2) the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year.

The amount certified is the county's certified distribution for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not later than fifteen (15) days after receiving the amount of the certified distribution, the department of local government finance shall determine for each taxing unit and notify the county auditor of the certified amount of property tax credits, school distributions, public safety revenue, **road and bridge revenue**, economic development revenue, certified shares, and special purpose revenue that will be distributed to the taxing unit under this chapter during the ensuing calendar year. Not later than thirty (30) days after receiving the department's estimate, the county auditor shall notify each taxing unit of the certified amounts for the taxing unit.

SECTION 18. IC 6-6-1.1-201 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. **(a)** A license tax of ~~eighteen cents (\$0.18) per gallon~~ is imposed on the use of all gasoline used in Indiana **at the applicable rate specified in subsection (b)**, except as otherwise provided by this chapter. The distributor shall initially pay the tax on the billed gallonage of all gasoline the distributor receives in this state, less any deductions authorized by this chapter. The distributor shall then add the per gallon amount of tax to the selling price of each gallon of gasoline sold in this state and



collected from the purchaser so that the ultimate consumer bears the burden of the tax.

**(b) The license tax described in subsection (a) is imposed at one (1) of the following rates, as applicable:**

- (1) Before July 1, 2016, eighteen cents (\$0.18) per gallon.**
- (2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:**
  - (A) Eighteen cents (\$0.18) per gallon.**
  - (B) The factor determined under IC 6-6-1.6-2.**

**The department shall publish the rate determined under this subdivision on the department's Internet web site not later than June 1, 2016.**

**SECTION 19. IC 6-6-1.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:**

**Chapter 1.6. Fuel Tax Index Factors**

**Sec. 1. The following definitions apply throughout this chapter:**

- (1) "CPI-U" means the Consumer Price Index for all Urban Consumers, U.S. city average, all items, using the index base period of 1982-84 equal to one hundred (100), as published by the Bureau of Labor Statistics of the United States Department of Labor.**
- (2) "Department" refers to the department of state revenue.**
- (3) "NHCCI" means the National Highway Construction Cost Index as published by the Federal Highway Administration of the United States Department of Transportation.**

**Sec. 2. (a) The department shall calculate the factor specified in subsection (b) before June 1, 2016.**

**(b) The fuel tax index factor in this section equals the factor determined in STEP FOUR of the following formula:**

**STEP ONE: Divide the annual CPI-U for 2015 by the annual CPI-U for 2002.**

**STEP TWO: Divide the annual NHCCI for 2015 by the annual NHCCI for 2003.**

**STEP THREE: Add:**

- (A) the STEP ONE result; and**
- (B) the STEP TWO result.**

**STEP FOUR: Divide the STEP THREE result by two (2).**

**SECTION 20. IC 6-6-2.5-22.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22.5. As used in this chapter, "special fuel gallon" means:**



- (1) except as provided in subdivisions (2) and (3), a gallon of special fuel;
- (2) a diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or
- (3) a gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas.

SECTION 21. IC 6-6-2.5-28, AS AMENDED BY P.L.190-2014, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 28. (a) A license tax of sixteen cents (\$0.16) per:

- (1) gallon;
- (2) diesel gallon equivalent (as defined in IC 6-6-4.1-1(f)), in the case of a special fuel that is liquid natural gas; or
- (3) gasoline gallon equivalent (as defined in IC 6-6-4.1-1(g)), in the case of a special fuel that is compressed natural gas;

is imposed on all special fuel sold or used in producing or generating power for propelling motor vehicles, except fuel used under section 30(a)(8) or 30.5 of this chapter, **at the applicable rate specified in subsection (b).** The tax shall be paid at those times, in the manner, and by those persons specified in this section and section 35 of this chapter.

**(b) The license tax described in subsection (a) is imposed at one (1) of the following rates, as applicable:**

- (1) Before July 1, 2016, sixteen cents (\$0.16) per special fuel gallon.
- (2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:
  - (A) Sixteen cents (\$0.16) per special fuel gallon.
  - (B) The factor determined under IC 6-6-1.6-2.

**The department shall publish the rate determined under this subdivision on the department's Internet web site not later than June 1, 2016.**

~~(b)~~ (c) The department shall consider it a rebuttable presumption that all undyed or unmarked special fuel, or both, received in Indiana is to be sold for use in propelling motor vehicles.

~~(c)~~ (d) Except as provided in subsection ~~(d)~~, (e), the tax imposed on special fuel by subsection (a) shall be measured by invoiced gallons (or diesel or gasoline gallon equivalents in the case of a special fuel described in ~~subsection (a)(2) or (a)(3)~~ **section 22.5(2) or 22.5(3) of this chapter** of nonexempt special fuel received by a licensed supplier in Indiana for sale or resale in Indiana or with respect to special fuel subject to a tax precollection agreement under section 35(d) of this chapter, such special fuel removed by a licensed supplier from a



terminal outside of Indiana for sale for export or for export to Indiana and in any case shall generally be determined in the same manner as the tax imposed by Section 4081 of the Internal Revenue Code and Code of Federal Regulations.

~~(d)~~ (e) The tax imposed by subsection (a) on special fuel imported into Indiana, other than into a terminal, is imposed at the time the product is entered into Indiana and shall be measured by invoiced gallons received at a terminal or at a bulk plant.

~~(e)~~ (f) In computing the tax, all special fuel in process of transfer from tank steamers at boat terminal transfers and held in storage pending wholesale bulk distribution by land transportation, or in tanks and equipment used in receiving and storing special fuel from interstate pipelines pending wholesale bulk reshipment, shall not be subject to tax.

~~(f)~~ (g) The department shall consider it a rebuttable presumption that special fuel consumed in a motor vehicle plated for general highway use is subject to the tax imposed under this chapter. A person claiming exempt use of special fuel in such a vehicle must maintain adequate records as required by the department to document the vehicle's taxable and exempt use.

~~(g)~~ (h) A person that engages in blending fuel for taxable sale or use in Indiana is primarily liable for the collection and remittance of the tax imposed under subsection (a). The person shall remit the tax due in conjunction with the filing of a monthly report in the form prescribed by the department.

~~(h)~~ (i) A person that receives special fuel that has been blended for taxable sale or use in Indiana is secondarily liable to the state for the tax imposed under subsection (a).

~~(i)~~ (j) A person may not use special fuel on an Indiana public highway if the special fuel contains a sulfur content that exceeds five one-hundredths of one percent (0.05%). A person who knowingly:

- (1) violates; or
- (2) aids or abets another person to violate;

this subsection commits a Class A infraction. However, the violation is a Class A misdemeanor if the person has committed one (1) prior unrelated violation of this subsection, and a Level 6 felony if the person has committed more than one (1) unrelated violation of this subsection.

SECTION 22. IC 6-6-2.5-62, AS AMENDED BY P.L.158-2013, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 62. (a) No person shall import, sell, use, deliver, or store in Indiana special fuel in bulk as to which dye or a marker, or both, has not been added in accordance with section 31 of





this chapter, or as to which the tax imposed by this chapter has not been paid to or accrued by a licensed supplier or licensed permissive supplier as shown by a notation on a terminal-issued shipping paper subject to the following exceptions:

- (1) A supplier shall be exempt from this provision with respect to special fuel manufactured in Indiana or imported by pipeline or waterborne barge and stored within a terminal in Indiana.
- (2) An end user shall be exempt from this provision with respect to special fuel in a vehicle supply tank when the fuel was placed in the vehicle supply tank outside of Indiana.
- (3) A licensed importer, and transporter operating on the importer's behalf, that transports in vehicles with a capacity of more than five thousand four hundred (5,400) gallons, shall be exempt from this prohibition if the importer or the transporter has met all of the following conditions:
  - (A) The importer or the transporter before entering onto the highways of Indiana has obtained an import verification number from the department not earlier than twenty-four (24) hours before entering Indiana.
  - (B) The import verification number must be set out prominently and indelibly on the face of each copy of the terminal-issued shipping paper carried on board the transport truck.
  - (C) The terminal origin and the importer's name and address must be set out prominently on the face of each copy of the terminal-issued shipping paper.
  - (D) The terminal-issued shipping paper data otherwise required by this chapter is present.
  - (E) All tax imposed by this chapter with respect to previously requested import verification number activity on the account of the importer or the transporter has been timely remitted.

In every case, a transporter acting in good faith is entitled to rely upon representations made to the transporter by the fuel supplier or importer and when acting in good faith is not liable for the negligence or malfeasance of another person. A person who knowingly violates or knowingly aids and abets another person in violating this subsection commits a Level 6 felony.

(b) No person shall export special fuel from Indiana unless that person has obtained an exporter's license or a supplier's license or has paid the destination state special fuel tax to the supplier and can demonstrate proof of export in the form of a destination state bill of lading. A person who knowingly violates or knowingly aids and abets



another person in violating this subsection commits a Level 6 felony.

(c) No person shall operate or maintain a motor vehicle on any public highway in Indiana with special fuel contained in the fuel supply tank for the motor vehicle that contains dye or a marker, or both, as provided under section 31 of this chapter. This provision does not apply to persons operating motor vehicles that have received fuel into their fuel tanks outside of Indiana in a jurisdiction that permits introduction of dyed or marked, or both, special fuel of that color and type into the motor fuel tank of highway vehicles or to a person that qualifies for the federal fuel tax exemption under Section 4082 of the Internal Revenue Code and that is registered with the department as a dyed fuel user. A person who knowingly:

- (1) violates; or
- (2) aids and abets another person in violating;

this subsection commits a Class A infraction. However, the violation is a Class A misdemeanor if the person has committed one (1) prior unrelated violation of this subsection, and a Level 6 felony if the person has committed more than one (1) prior unrelated violation of this subsection.

(d) No person shall engage in any business activity in Indiana as to which a license is required by section 41 of this chapter unless the person shall have first obtained the license. A person who knowingly violates or knowingly aids and abets another person in violating this subsection commits a Level 6 felony.

(e) No person shall operate a motor vehicle with a capacity of more than five thousand four hundred (5,400) gallons that is engaged in the shipment of special fuel on the public highways of Indiana and that is destined for a delivery point in Indiana, as shown on the terminal-issued shipping papers, without having on board a terminal-issued shipping paper indicating with respect to any special fuel purchased:

- (1) under claim of exempt use, a notation describing the load or the appropriate portion of the load as Indiana tax exempt special fuel;
- (2) if not purchased under a claim of exempt use, a notation describing the load or the appropriate portion thereof as Indiana taxed or pretaxed special fuel; or
- (3) if imported by or on behalf of a licensed importer instead of the pretaxed notation, a valid verification number provided before entry into Indiana by the department or the department's designee or appointee, and the valid verification number may be handwritten on the shipping paper by the transporter or importer.



A person is in violation of subdivision (1) or (2) (whichever applies) if the person boards the vehicle with a shipping paper that does not meet the requirements described in the applicable subdivision (1) or (2). A person in violation of this subsection commits a Class A infraction (as defined in IC 34-28-5-4).

(f) A person may not sell or purchase any product for use in the supply tank of a motor vehicle for general highway use that does not meet ASTM standards as published in the annual Book of Standards and its supplements unless amended or modified by rules adopted by the department under IC 4-22-2. The transporter and the transporter's agent and customer have the exclusive duty to dispose of any product in violation of this section in the manner provided by federal and state law. A person who knowingly:

- (1) violates; or
- (2) aids and abets another in violating;

this subsection commits a Level 6 felony.

(g) This subsection does not apply to the following:

- (1) A person that:
  - (A) inadvertently manipulates the dye or marker concentration of special fuel or coloration of special fuel; and
  - (B) contacts the department within one (1) business day after the date on which the contamination occurs.
- (2) A person that affects the dye or marker concentration of special fuel by engaging in the blending of the fuel, if the blender:
  - (A) collects or remits, or both, all tax due as provided in section ~~28(g)~~ **28(h)** of this chapter;
  - (B) maintains adequate records as required by the department to account for the fuel that is blended and its status as a taxable or exempt sale or use; and
  - (C) is otherwise in compliance with this subsection.

A person may not manipulate the dye or marker concentration of a special fuel or the coloration of special fuel after the special fuel is removed from a terminal or refinery rack for sale or use in Indiana. A person who knowingly violates or aids and abets another person to violate this subsection commits a Level 6 felony.

(h) This subsection does not apply to a person that receives blended fuel from a person in compliance with subsection (g)(2). A person may not sell or consume special fuel if the special fuel dye or marker concentration or coloration has been manipulated, inadvertently or otherwise, after the special fuel has been removed from a terminal or refinery rack for sale or use in Indiana. A person who knowingly:

- (1) violates; or



(2) aids and abets another to violate;  
this subsection commits a Level 6 felony.

(i) A person may not engage in blending fuel for taxable use in Indiana without collecting and remitting the tax due on the untaxed portion of the fuel that is blended. A person who knowingly:

(1) violates; or

(2) aids and abets another to violate;  
this subsection commits a Level 6 felony.

SECTION 23. IC 6-6-2.5-64 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 64. (a) If any person liable for the tax files a false or fraudulent return, there shall be added to the tax an amount equal to the tax the person evaded or attempted to evade.

(b) The department shall impose a civil penalty of one thousand dollars (\$1,000) for a person's first occurrence of transporting special fuel without adequate shipping papers as required under sections 40, 41(g), and 62(e) of this chapter, unless the person shall have complied with rules adopted under IC 4-22-2. Each subsequent occurrence described in this subsection is subject to a civil penalty of five thousand dollars (\$5,000).

(c) The department shall impose a civil penalty on the operator of a vehicle of two hundred dollars (\$200) for the initial occurrence, two thousand five hundred dollars (\$2,500) for the second occurrence, and five thousand dollars (\$5,000) for the third and each subsequent occurrence of a violation of either:

(1) the prohibition of use of dyed or marked special fuel, or both, on the Indiana public highways, except for a person that qualifies for the federal fuel tax exemption under Section 4082 of the Internal Revenue Code and that is registered with the department as a dyed fuel user; or

(2) the use of special fuel in violation of section ~~28(i)~~ **28(j)** of this chapter.

(d) A supplier that makes sales for export to a person:

(1) who does not have an appropriate export license; or

(2) without collection of the destination state tax on special fuel nonexempt in the destination state;

shall be subject to a civil penalty equal to the amount of Indiana's special fuel tax in addition to the tax due.

(e) The department may impose a civil penalty of one thousand dollars (\$1,000) for each occurrence against every terminal operator that fails to meet shipping paper issuance requirements under section 40 of this chapter.



(f) Each importer or transporter who knowingly imports undyed or unmarked special fuel, or both, in a transport truck without:

- (1) a valid importer license;
- (2) a supplier license;
- (3) an import verification number, if transporting in a vehicle with a capacity of more than five thousand four hundred (5,400) gallons; or
- (4) a shipping paper showing on the paper's face as required under this chapter that Indiana special fuel tax is not due;

is subject to a civil penalty of ten thousand dollars (\$10,000) for each occurrence described in this subsection.

(g) This subsection does not apply to a person if section 62(g) of this chapter does not apply to the person. A:

- (1) person that manipulates the dye or marker concentration of special fuel or the coloration of special fuel after the special fuel is removed from a terminal or refinery rack for sale or use in Indiana; and
- (2) person that receives the special fuel;

are jointly and severally liable for the special fuel tax due on the portion of untaxed fuel plus a penalty equal to the greater of one hundred percent (100%) of the tax due or one thousand dollars (\$1,000).

(h) A person that engages in blending fuel for taxable sale or use in Indiana and does not collect and remit all tax due on untaxed fuel that is blended is liable for the tax due plus a penalty that is equal to the greater of one hundred percent (100%) of the tax due or one thousand dollars (\$1,000).

SECTION 24. IC 6-6-4.1-4.5, AS AMENDED BY P.L.277-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.5. **(a) As used in this section, "surcharge gallon" means, as applicable:**

- (1) a gallon of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as butane or propane);**
- (2) a diesel gallon equivalent of a special fuel that is liquid natural gas; or**
- (3) a gasoline gallon equivalent of a special fuel that is compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.**

**(a) (b)** A surcharge tax is imposed on the consumption of motor fuel by a carrier in its operations on highways in Indiana **at the applicable rate specified in subsection (c).** The rate of this surcharge tax is



eleven cents (\$0.11) per:

- (1) gallon of gasoline or special fuel (other than natural gas or an alternative fuel commonly or commercially known or sold as butane or propane);
- (2) diesel gallon equivalent of a special fuel that is liquid natural gas; or
- (3) gasoline gallon equivalent of a special fuel that is compressed natural gas or an alternative fuel commonly or commercially known or sold as butane or propane.

The tax shall be paid quarterly by the carrier to the department on or before the last day of the month immediately following the quarter.

**(c) The surcharge tax described in subsection (b) is imposed at one (1) of the following rates, as applicable:**

- (1) Before July 1, 2016, eleven cents (\$0.11) per surcharge gallon.**
- (2) After June 30, 2016, the product of the following, rounding the result of the multiplication to the nearest cent:**
  - (A) Eleven cents (\$0.11) per surcharge gallon.**
  - (B) The factor determined under IC 6-6-1.6-2.**

**The department shall publish the rate determined under this subdivision on the department's Internet web site not later than June 1, 2016.**

**(b) (d)** The amount of motor fuel consumed by a carrier in its operations on highways in Indiana is the total amount of motor fuel consumed in its entire operations within and without Indiana, multiplied by a fraction. The numerator of the fraction is the total number of miles traveled on highways in Indiana, and the denominator of the fraction is the total number of miles traveled within and without Indiana.

**(e) (e)** The amount of tax that a carrier shall pay for a particular quarter under this section equals the product of the tax rate in effect for that quarter, multiplied by the amount of motor fuel consumed by the carrier in its operation on highways in Indiana.

**(d) (f)** Subject to section 4.8 of this chapter, a carrier is entitled to a proportional use credit against the tax imposed under this section for that portion of motor fuel used to propel equipment mounted on a motor vehicle having a common reservoir for locomotion on the highway and the operation of this equipment as determined by rule of the commissioner. An application for a proportional use credit under this subsection shall be filed on a quarterly basis on a form prescribed by the department.

SECTION 25. IC 6-7-1-0.4, AS ADDED BY P.L.220-2011,

ES 333—LS 6693/DI 73



SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.4. **(a)** Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2007, and in the possession of a distributor may be used after June 30, 2007, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2007, and as amended by P.L.218-2007, is remitted to the department under the procedures prescribed by the department.

**(b) Notwithstanding section 14 of this chapter, revenue stamps paid for before July 1, 2016, and in the possession of a distributor may be used after June 30, 2016, only if the full amount of the tax imposed by section 12 of this chapter, as effective after June 30, 2016, and as amended by HEA 1001-2016, is remitted to the department under the procedures prescribed by the department.**

SECTION 26. IC 6-7-1-12, AS AMENDED BY P.L.218-2007, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) The following taxes are imposed, and shall be collected and paid as provided in this chapter, upon the sale, exchange, bartering, furnishing, giving away, or otherwise disposing of cigarettes within the state of Indiana:

(1) On cigarettes weighing not more than three (3) pounds per thousand (1,000), a tax at the rate of ~~four and nine hundred seventy-five thousandths cents (\$0.04975)~~ **nine and nine hundred seventy-five thousandths cents (\$0.09975)** per individual cigarette.

(2) On cigarettes weighing more than three (3) pounds per thousand (1,000), a tax at the rate of ~~six and six hundred twelve thousandths cents (\$0.06612)~~ **thirteen and two hundred fifty-seven thousandths cents (\$0.13257)** per individual cigarette, except that if any cigarettes weighing more than three (3) pounds per thousand (1,000) shall be more than six and one-half (6 1/2) inches in length, they shall be taxable at the rate provided in subdivision (1), counting each two and three-fourths (2 3/4) inches (or fraction thereof) as a separate cigarette.

(b) Upon all cigarette papers, wrappers, or tubes, made or prepared for the purpose of making cigarettes, which are sold, exchanged, bartered, given away, or otherwise disposed of within the state of Indiana (other than to a manufacturer of cigarettes for use by ~~him~~ **the manufacturer** in the manufacture of cigarettes), the following taxes are imposed, and shall be collected and paid as provided in this chapter:

(1) On fifty (50) papers or less, a tax of one-half cent (\$0.005).



(2) On more than fifty (50) papers but not more than one hundred (100) papers, a tax of one cent (\$0.01).

(3) On more than one hundred (100) papers, one-half cent (\$0.005) for each fifty (50) papers or fractional part thereof.

(4) On tubes, one cent (\$0.01) for each fifty (50) tubes or fractional part thereof.

SECTION 27. IC 6-7-1-28.1, AS AMENDED BY P.L.213-2015, SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE AUGUST 1, 2016]: Sec. 28.1. The taxes, registration fees, fines, or penalties collected under this chapter shall be deposited in the following manner:

(1) ~~Four and twenty-two hundredths percent (4.22%)~~ **Two and fifty-six hundredths percent (2.56%)** of the money shall be deposited in a fund to be known as the cigarette tax fund.

(2) ~~Six-tenths percent (0.6%)~~ **Three hundred sixty-two thousandths percent (0.362%)** of the money shall be deposited in a fund to be known as the mental health centers fund.

(3) ~~The following amount of the money~~ **Thirty-four and one hundred fifty-eight thousandths percent (34.158%)** shall be deposited in the state general fund.

(A) ~~After June 30, 2011, and before July 1, 2013, sixty and twenty-four hundredths percent (60.24%).~~

(B) ~~After June 30, 2013, fifty-six and twenty-four hundredths percent (56.24%).~~

(4) ~~Five and forty-three hundredths percent (5.43%)~~ **Three and three-tenths percent (3.3%)** of the money shall be deposited into the pension relief fund established in IC 5-10.3-11.

(5) ~~Twenty-seven and five hundredths percent (27.05%)~~ **Sixteen and forty-three hundredths percent (16.43%)** of the money shall be deposited in the healthy Indiana plan trust fund established by IC 12-15-44.2-17.

(6) ~~Two and forty-six hundredths percent (2.46%)~~ **Forty and seventy-six hundredths percent (40.76%)** of the money shall be deposited in the state general fund for the purpose of paying appropriations for Medicaid—Current Obligations, for provider reimbursements.

(7) ~~The following amount of the money~~ **Two and forty-three hundredths percent (2.43%)** shall be deposited in the state retiree health benefit trust fund established by IC 5-10-8-8.5. ~~as follows:~~

(A) ~~Before July 1, 2011, five and seventy-four hundredths percent (5.74%).~~





~~(B) After June 30, 2011, and before July 1, 2013, zero percent (0%);~~

~~(C) After June 30, 2013, four percent (4%);~~

The money in the cigarette tax fund, the mental health centers fund, the healthy Indiana plan trust fund, or the pension relief fund at the end of a fiscal year does not revert to the state general fund. However, if in any fiscal year, the amount allocated to a fund under subdivision (1) or (2) is less than the amount received in fiscal year 1977, then that fund shall be credited with the difference between the amount allocated and the amount received in fiscal year 1977, and the allocation for the fiscal year to the fund under subdivision (3) shall be reduced by the amount of that difference. Money deposited under subdivisions (6) through (7) may not be used for any purpose other than the purpose stated in the subdivision.

SECTION 28. IC 6-8.1-3-26 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE UPON PASSAGE]: **Sec. 26. (a) The department shall:**

**(1) study methods of indexing fuel tax rates; and**

**(2) report the department's findings under subdivision (1) to the interim study committee on roads and transportation before October 1, 2016.**

**The department shall provide any documents prepared by the department as part of the report under subdivision (2) to the legislative services agency in an electronic format under IC 5-14-6.**

**(b) This section expires January 1, 2017.**

SECTION 29. IC 8-14-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4. (a) A qualified county which:**

**(1) has adopted the county motor vehicle excise surtax under IC 6-3.5-4 and the county wheel tax under IC 6-3.5-5;**

**(2) is imposing the county motor vehicle excise surtax at:**

**(A) the maximum allowable rate, if the qualified county sets a county motor vehicle excise surtax rate under ~~IC 6-3.5-4-2(a)(1); IC 6-3.5-4-2(b)(1) or IC 6-3.5-4-2(c)(1);~~**  
or

**(B) ~~at the maximum allowable amount, of not less than twenty dollars (\$20);~~ if the qualified county sets the county motor vehicle excise surtax at a specific amount under ~~IC 6-3.5-4-2(a)(2); IC 6-3.5-4-2(b)(2) or IC 6-3.5-4-2(c)(2);~~**  
and

**(3) has not issued bonds under IC 8-14-9;**

**may apply to the Indiana department of transportation for a loan from**



the distressed road fund. At the time of the application, the county shall notify the department of local government finance that it has made the application.

(b) The application must include, at a minimum:

- (1) a map depicting all roads and streets in the system of the applicant; and
- (2) a copy of that county's proposed program of work covering the current and the immediately following calendar year.

SECTION 30. IC 8-14-14.1-5, AS ADDED BY P.L.213-2015, SECTION 102, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) After review by the budget committee, the budget agency may, after June 30, 2015, and before July 1, 2016, direct the auditor of state to transfer not more than one hundred million dollars (\$100,000,000) to the fund from the state general fund. If the budget agency directs the auditor of state to make such a transfer, the auditor of state shall transfer to the fund the amount determined by the budget agency. There is appropriated from the state general fund an amount sufficient to make the transfer under this subsection.

(b) After review by the budget committee, the budget agency may, after June 30, 2016, and before July 1, 2017, direct the auditor of state to transfer not more than one hundred million dollars (\$100,000,000) to the fund from the state general fund. If the budget agency directs the auditor of state to make such a transfer, the auditor of state shall transfer to the fund the amount determined by the budget agency. There is appropriated from the state general fund an amount sufficient to make the transfer under this subsection.

(c) Notwithstanding section 3(e) of this chapter, if one (1) or more transfers under subsection (a) ~~or (b)~~ are made to the fund, the budget agency may after review by the budget committee transfer from the fund to the major moves construction fund established by IC 8-14-14-5 an amount equal to the lesser of:

- (1) ~~two~~ **one** hundred million dollars ~~(\$200,000,000);~~ **(\$100,000,000);** or
- (2) the total amount of any transfers under subsection (a) ~~or (b)~~ that are made to the fund.

(d) Money that is transferred as described in subsection (c) may be used for any purpose of the major moves construction fund.

**(e) Notwithstanding section 3(e) of this chapter, if one (1) or more transfers under subsection (b) are made to the fund, the budget agency may after review by the budget committee transfer from the fund to the state highway fund created by IC 8-23-9-54 an**



amount equal to the lesser of:

- (1) one hundred million dollars (\$100,000,000); or
- (2) the total amount of any transfers under subsection (b) that are made to the fund.

(f) Money that is transferred as described in subsection (e) may be used only for preserving or reconstructing existing state highways and bridges for which the department is responsible.

SECTION 31. IC 8-15-3-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 0.5. As used in this chapter, "authority" refers to the Indiana finance authority established under IC 4-4-11.

SECTION 32. IC 8-15-3-36 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) Before July 1, 2016, the department shall submit a request to the Federal Highway Administration for a waiver to toll lanes on the following interstate highways:

- (1) Interstate 65.
- (2) Interstate 70.
- (3) Interstate 80/94.

(b) Before January 1, 2017, the department shall:

- (1) conduct a feasibility study on tolling the interstate highways listed in subsection (a)(1) through (a)(3); and
- (2) present the feasibility study to the budget committee for review.

SECTION 33. IC 8-23-2-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19. (a) There is appropriated two hundred fifty thousand dollars (\$250,000) from the state highway fund to the department for the local technical assistance program under section 5(a)(6) of this chapter for the state fiscal year beginning July 1, 2016, in order to develop a data collection system capable of collecting and compiling data from local units of government that are responsible for overseeing roads and streets.

(b) The data to be collected by the data collection system described in subsection (a) must include the following:

- (1) Accounting for all revenue streams dedicated to local road maintenance and construction.
- (2) Actual expenditures on maintenance and construction.
- (3) Planned expenditures on maintenance and construction.
- (4) Deferred maintenance.

(c) The department shall submit a report on the department's progress in developing the data collection system described in



subsections (a) and (b) to the legislative council in an electronic format under IC 5-14-6 not later than November 1, 2017.

**(d) This section expires January 1, 2018.**

SECTION 34. IC 8-23-30 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 30. Local Road and Bridge Matching Grant Fund**

**Sec. 1. The following definitions apply throughout this chapter:**

- (1) "Eligible project" means a project:**
  - (A) that is undertaken by a local unit;**
  - (B) that repairs or increases the capacity of local roads and bridges;**
  - (C) that is part of the local unit's transportation asset management plan; and**
  - (D) for which the local unit provides funds for at least ten percent (10%) of the total project cost.**
- (2) "Fund" refers to the local road and bridge matching grant fund established by section 2 of this chapter.**
- (3) "Local unit" means a county or municipality.**
- (4) "Transportation asset management plan" includes planning for drainage systems and rights-of-way that affect transportation assets.**

**Sec. 2. (a) The local road and bridge matching grant fund is established to provide matching grants to local units for eligible projects.**

- (b) The department shall administer the fund.**
- (c) The fund consists of the following:**
  - (1) Appropriations by the general assembly.**
  - (2) Interest deposited in the fund under subsection (d).**
  - (3) Money deposited in or transferred to the fund from any other source.**
- (d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.**
- (e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.**
- (f) Money in the fund is continuously appropriated for the purpose of the fund.**

**Sec. 3. A local unit that uses a transportation asset management plan approved by the department may apply to the department for a grant from the fund for an eligible project. The application must**



be in the form and manner prescribed by the department.

**Sec. 4.** A local unit's application for a grant from the fund must specify the amount of money that the local unit is committing to contribute to the eligible project.

**Sec. 5.** In the evaluation of an application for a grant from the fund, the department shall give preference to projects that are anticipated by the department to have the greatest regional economic significance for the region in which the local unit is located.

**Sec. 6.** If the department approves a grant to a local unit under this chapter, the amount of the grant from the fund is equal to the amount that the local unit commits to contribute to the proposed eligible project.

**Sec. 7.** The department may adopt guidelines to implement this chapter.

SECTION 35. IC 9-29-5-47 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 47. (a)** The fee in this section applies after December 31, 2016, to each electric vehicle that is required to be registered under IC 9-18.

**(b)** As used in this section, "electric vehicle" means a vehicle that:

- (1)** is propelled by an electric motor powered by a battery or other electrical device incorporated into the vehicle; and
- (2)** is not propelled by an engine powered by the combustion of a hydrocarbon fuel, including gasoline, diesel, propane, or liquid natural gas.

**(c)** In addition to any other fee required to register an electric vehicle under this chapter, the supplemental fee to register an electric vehicle is one hundred dollars (\$100). The fee shall be distributed to the local road and bridge matching grant fund established under IC 8-23-30.

SECTION 36. IC 35-52-6-24.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24.7. IC 6-3.5-10-13** defines crimes concerning the municipal motor vehicle license excise surtax.

SECTION 37. IC 35-52-6-24.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 24.8. IC 6-3.5-11-16** defines crimes concerning the municipal wheel tax.

SECTION 38. [EFFECTIVE UPON PASSAGE] **(a)** There is



appropriated two million dollars (\$2,000,000) from the state general fund to the state department of health for its use in administering the tobacco use prevention and cessation program for the state fiscal year beginning July 1, 2016.

(b) The appropriation in subsection (a) is in addition to the appropriation in P.L.213-2015, SECTION 8, of five million dollars (\$5,000,000) from the tobacco master settlement agreement fund to the state department of health for the tobacco use prevention and cessation program for the state fiscal year beginning July 1, 2016.

(c) This SECTION expires July 1, 2017.

SECTION 39. An emergency is declared for this act."

Delete pages 2 through 3.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 333 as printed January 29, 2016.)

SOLIDAY

Committee Vote: yeas 8, nays 5.

---

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 333, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Page 9, between lines 20 and 21, begin a new paragraph and insert:

"SECTION 12. IC 6-3.5-5-8, AS AMENDED BY P.L.205-2013, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. If an adopting entity adopts an ordinance to impose, rescind, or change the rates of the wheel tax, the adopting entity shall send a copy of the ordinance to the commissioner of the bureau of motor vehicles **and to the commissioner of the department of state revenue.**

SECTION 13. IC 6-3.5-5-9, AS AMENDED BY P.L.149-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. A person may not register a vehicle in a county

ES 333—LS 6693/DI 73



which has adopted the wheel tax unless the person pays the wheel tax due, if any, to the bureau of motor vehicles **or (if applicable) to the department of state revenue**. The amount of the wheel tax due is based on the wheel tax rate, for that class of vehicle, in effect at the time of registration. The bureau of motor vehicles **or (if applicable) the department of state revenue** shall collect the wheel tax due, if any, at the time a motor vehicle is registered. The department or the bureau of motor vehicles, as applicable, may impose a service charge under IC 9-29 for each wheel tax collection made under this chapter.

SECTION 14. IC 6-3.5-5-18, AS AMENDED BY P.L.149-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) The owner of a vehicle who knowingly registers the vehicle without paying wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor.

(b) An employee of the bureau of motor vehicles **or of the department of state revenue** who recklessly issues a registration on any vehicle without collecting wheel tax imposed under this chapter with respect to that registration commits a Class B misdemeanor."

Page 15, line 24, after "vehicles" delete "." and insert "**and to the commissioner of the department of state revenue.**".

Page 15, line 36, after "vehicles" delete "." and insert "**or (if applicable) to the department of state revenue.**".

Page 15, line 38, after "vehicles" insert "**or (if applicable) the department of state revenue**".

Page 17, line 19, after "vehicles" insert "**or of the department of state revenue**".

Page 31, between lines 12 and 13, begin a new paragraph and insert:  
"SECTION 28. IC 6-8.1-3-25, AS ADDED BY P.L.213-2015, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. Notwithstanding any other law, the department shall deposit the amounts collected under a tax amnesty program carried out under section 17 of this chapter after June 30, 2015, as follows:

- (1) **County income tax collected under IC 6-3.5-1.1, IC 6-3.5-6, or IC 6-3.5-7 (repealed January 1, 2017) shall be distributed to counties in the same manner as otherwise provided by the appropriate chapter of the Indiana Code.**
- (2) **Eight percent (8%) of inheritance tax collected for resident decedents shall be distributed to counties in the manner provided under IC 6-4.1-9-6.**
- (3) **County innkeeper's tax collected shall be deposited as**



required by IC 6-9.

**(4) County and municipal food and beverage tax collected shall be deposited as required by IC 6-9.**

**(5) County admissions taxes collected shall be deposited as required by IC 6-9-13 and IC 6-9-28.**

**(6) Aircraft license excise tax collected shall be deposited as required by IC 6-6-6.5-21.**

**(7) Auto rental excise tax collected shall be deposited as required by IC 6-6-9-11.**

**(8) Supplemental auto rental excise tax shall be deposited as otherwise required by the appropriate chapter of the Indiana Code.**

**(9) Financial institutions tax collected shall be deposited as required by IC 6-5.5-8-2.**

**(+) (10) After making the deposits required under subdivisions (1) through (9), the first eighty-four million dollars (\$84,000,000) collected must be deposited into the Indiana regional cities development fund established by IC 5-28-38-2.**

**(-) (11) After making the deposits required under ~~subdivision~~ subdivisions (1) through (10), the next six million dollars (\$6,000,000) collected shall be transferred to the Indiana department of transportation to reimburse the Indiana department of transportation for money expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line. However, the total amount transferred under this subdivision to the Indiana department of transportation may not exceed the lesser of:**

**(A) six million dollars (\$6,000,000); or**

**(B) the total amount expended by the Indiana department of transportation under IC 8-23-2-18.5 for the operation of the Hoosier State Rail Line after June 30, 2015, and before July 1, 2017.**

**(12) After making the deposits required under subdivisions (1) through (11), the next twenty million seven hundred thousand dollars (\$20,700,000) must be deposited into the pension stabilization fund established by IC 5-10.4-2-5. The amount deposited under this subdivision is appropriated to the board of trustees of the Indiana public retirement system for the purposes of the pension stabilization fund.**

**(13) After making the deposits required under subdivisions (1) through (12), the next forty-two million dollars (\$42,000,000) collected must be deposited into the Indiana regional cities**





**development fund established by IC 5-28-38-2.**

~~(3)~~ **(14)** Any remaining amounts collected must be deposited into the state general fund."

Page 36, between lines 9 and 10, begin a new paragraph and insert:

**"SECTION 40. [EFFECTIVE UPON PASSAGE] (a) There is appropriated from the Indiana regional cities development fund established by IC 5-28-38-2 forty-two million dollars (\$42,000,000) for the purpose of funding a third grant under the regional cities initiative.**

**(b) This SECTION expires June 30, 2017."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to ESB 333 as printed February 26, 2016.)

BROWN T

Committee Vote: yeas 13, nays 8.

